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August 12, 2015

Dr. Dennis King
President
Asheville Buncombe Technical Community College
340 Victoria Road
Asheville, North Carolina 28801-4897

UPS Tracking Number
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RE: **Final Program Review Determination**
OPE ID: 00403300
PRCN: 201430428617

Dear Dr. King:

The U.S. Department of Education's (Department's) School Participation Division – Atlanta issued a Program Review Report on July 28, 2014 covering Asheville Buncombe Technical Community College's (ABTCC) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2011-2012 and 2012-2013 award years. ABTCC's final response was received on January 29, 2015. A copy of the Program Review Report (and related attachments) and ABTCC's responses are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by ABTCC upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, and (3) notify the institution of its right to appeal, (4) close the review and (5) notify ABTCC of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding ABTCC's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (*Clery Act*) in Section 485(f) of the HEA, 20 U.S.C. §1092(f), and the

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Department's regulations at 34 C.F.R. §§668.41, 668.46, and 668.49. Because *Clery Act* findings do not result in financial liabilities, such findings may not be appealed. If an adverse administrative action is initiated, additional information about ABTCC's appeal rights will be provided under separate cover.

The total liabilities due from the institution from this program review are **\$670,738**.

This final program review determination contains detailed information about the liability determination for all findings.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

Appeal Procedures:

This constitutes the Department's FPRD with respect to the liabilities identified from the August 14, 2015 Program Review Report. If ABTCC wishes to appeal to the Secretary for a review of financial liabilities established by the FPRD, the institution must file a written request for an administrative hearing. Please note that institutions may appeal financial liabilities only. The Department must receive the request no later than 45 days from the date ABTCC receives this FPRD. An original and four copies of the information ABTCC submits must be attached to the request. The request for an appeal must be sent to:

Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/PC
830 First Street, NE - UCP3, Room 84F2
Washington, DC 20002-8019

ABTCC's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position;
- (3) include all documentation it believes the Department should consider in support of the appeal. An institution may provide detailed liability information from a complete file review to appeal a projected liability amount. Any documents relative to the appeal that

include PII data must be redacted except the student's name and last four digits of his / her social security number (please see the attached document, "Protection of Personally Identifiable Information," for instructions on how to mail "hard copy" records containing PII); and

(4) include a copy of the FPRD. The program review control number (PRCN) must also accompany the request for review.

If the appeal request is complete and timely, the Department will schedule an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The procedures followed with respect to ABTCC's appeal will be those provided in 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities shall continue to accrue at the applicable value of funds rate, as established by the United States Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Jon Finkelstein at 404-974-9341. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Chris Miller
Division Director

Enclosure:

Protection of Personally Identifiable Information

Program Review Report (and appendices)

Final Program Review Determination Report (and appendices)

cc: Cynthia Anderson, Financial Aid Administrator
North Carolina Community College System
Southern Association of Colleges and Schools Commission on Colleges
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau

Prepared for
Asheville Buncombe Technical
Community College

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Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division - Atlanta

Final Program Review Determination August 12, 2015

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A. Institutional Information

Asheville Buncombe Technical Community College
340 Victoria Road
Asheville, North Carolina 28801-4897

Type: Public

Highest Level of Offering: Associates Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 11,308 (2014)

% of Students Receiving Title IV, HEA funds: 43.76% (2014)

Title IV, HEA Program Participation Postsecondary Education Participants System (PEPS):

	2013-2014
Federal Pell Grant Program (Pell)	\$ 12,843,965
Federal Direct Loan Program (DL)	\$ 10,695,840
Federal Work Study Program (FWS)	\$ 104,496
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 80,750
Total:	\$ 23,725,051

Default Rate DL:	2011	13.2%
	2010	8.6%
	2009	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Asheville Buncombe Technical Community College (ABTCC) from June 2, 2014 to June 6, 2014. The review was conducted by Jon Finkelstein, Sherry Blackman and Lonnie Seal.

The focus of the review was to determine ABTCC's compliance with the statutes and regulations as they pertain to the institution's administration of the Title IV, HEA programs. The review consisted of, but was not limited to, an examination of ABTCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 10 files were selected of students enrolled in gainful employment certificate programs. These additional files were tested to measure the accuracy of the clock to credit hour conversion formula. Appendix A lists the names and numbers of the students whose files were examined during the program review. A Program Review Report was issued on July 28, 2014.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ABTCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve ABTCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Findings and Final Determinations

Resolved Findings

ABTCC has taken the corrective actions necessary to resolve findings 3, 5 - 13, 15 -19 and 21 - 23 of the Program Review Report. Therefore, these findings may be considered closed. Findings requiring further action by ABTCC are discussed below.

Resolved Findings with Comments:

The following program review findings have been resolved by the institution, and may be considered closed. These findings are included solely for the purpose of discussing resolution of the findings.

Finding 14: Failure to Comply with Drug and Alcohol Abuse Prevention Program Requirements

Noncompliance:

The Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

The DAAPP disclosure must include all of the following elements:

- A written statement about an institution's standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under federal, state, and local laws and ordinances for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and alcohol abuse;
- A description of any drug or alcohol counseling, treatment, and rehabilitation/re-entry programs that are available to students and employees; and,
- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

The DAAPP disclosure must be actively distributed to all employees and students enrolled for academic credit (except for continuing education credits) on an annual basis. The distribution plan must make provisions for providing the DAAPP disclosure annually to students who enroll at a date after the initial distribution and for employees who are hired at different points throughout the year.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The IHE must also produce a report of findings, maintain its supporting

materials, and provide them to the Department upon request. *34 C.F.R. §§ 86.3 and 86.100.*

ABTCC violated multiple provisions of the *DFSCA*. First, the College failed to implement a comprehensive DAAPP. Specifically, ABTCC's program information did not include the following required components:

- a description of the applicable legal sanctions under local, state, or federal law for the illegal possession or distribution of illicit drugs and/or the abuse of alcohol;
- a description of the health risks associated with the use of illicit drugs and the abuse of alcohol; and,
- A description of any drug or alcohol counseling, treatment, rehabilitation, and re-entry programs that are available to students and employees.

The review team identified these deficiencies based on a detailed examination of several ABTCC publications including the College's 2013-2014 Student Handbook and Calendar, the Code of Student Conduct, and the Drug and Alcohol-Free Workplace Policy. Although some drug and alcohol policy information was found in each of these publications, none of these documents included a materially-complete DAAPP that met Federal requirements. In addition, the College was not unable to demonstrate compliance with the requirement to actively distribute DAAPP program information on an annual basis to all enrolled students and current employees nor does ABTCC have a policy for ensuring such distribution.

Furthermore, ABTCC failed to conduct a biennial review to: 1) assess the effectiveness of the College's drug and alcohol programs; 2) evaluate the consistency of sanctions imposed for drug and alcohol violations under its codes of conduct; and, 3) identify areas requiring improvement or modification. As a result, ABTCC also failed to produce a biennial review report and supporting documentation.

Based on these violations, the Department's review indicates that ABTCC has persistently failed to comply with the *DFSCA* during its participation in the Title IV, FSA programs.

Failure to comply with the *DFSCA*'s DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime at ABTCC.

Directives From Program Review Report:

As a result of these violations, ABTCC was required to take all necessary corrective actions to address the violations and to otherwise insure that they do not recur. At a minimum, ABTCC was required to perform the following:

- Develop and implement a comprehensive DAAPP that includes all of the required elements found in the *DFSCA* and the Department's Part 86 regulations and publish a materially-complete disclosure that summarizes the program;
- Develop procedures to ensure that the DAAPP disclosure is distributed on an annual basis to every current student who is enrolled for academic credit as well as every employee. Once the new DAAPP disclosure and distribution policy are finalized, ABTCC must distribute program information in accordance with Federal requirements and its new policy. As part of its response to the program review report, the College must provide documentation evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *DFSCA*. This certification statement must also affirm that ABTCC understands its *DFSCA* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;
- Conduct a biennial review to measure the effectiveness of ABTCC's enhanced DAAPP. The biennial review report must describe the research methods and data analysis tools that were used to determine the effectiveness of the program. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be presented to and approved by the College's President and/or its Board;
- Submit copies of the two most-recent biennial review reports that ABTCC has produced (if any) with its official response. If no such reports were ever produced, that fact must be stated clearly in the response. In this context, College officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods; and,
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented. A copy of these policies and procedures must also accompany the College's submission of its biennial review report.

As noted above, the exceptions identified in this finding constitute very serious and persistent violations of the *DFSCA* that by their nature cannot be cured. ABTCC will be

given an opportunity to take remedial action and in doing so, finally begin to bring its drug and alcohol programs into compliance with the *DFSCA* as required by its Program Participation Agreement. Nevertheless, ABTCC is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Final Determination:

In its official response dated July 18, 2014, ABTCC submitted new procedures for conducting a compliant biennial review and concurred with the finding stating that remedial action was taken as directed in the Program Review Report. In support of its claims, the College submitted an enhanced DAAPP and new policies and procedures regarding the distribution of program materials. In addition, the College submitted the requested Certification Statement wherein College officials represent that the institution understands its *DFSCA* obligations and that the annual disclosure was distributed in the required manner,

Finding 14 of the Program Review Report cited ABTCC for multiple violations of the *DFSCA* and Part 86 of the Department's General Administrative Regulations. First, ABTCC failed to develop and implement a comprehensive DAAPP that included all required components. Specifically, the DAAPP did not include information about legal sanctions that may be imposed for violations of Federal, state, and local laws related to drug use and alcohol abuse, health risks associated with substance abuse, and a description of drug and alcohol counseling and/or treatment programs that are available at ABTCC or in the near-campus community. In addition, the College did not produce a DAAPP disclosure that summarized its program and as a result, was unable to actively distribute such program materials to required recipients. As a consequence of these failures, ABTCC was also unable to conduct a biennial review of the DAAPP's effectiveness. These separate and distinct violations necessarily follow from each other because the biennial review is primarily a study of the DAAPP's effectiveness. Therefore, an institution cannot conduct a probative biennial review until it has a fully-functional DAAPP in place and program requirements are communicated to members of the campus community. As a result of these violations, ABTCC was required to enhance its DAAPP, produce and distribute an accurate and complete annual disclosure, and conduct a substantive biennial review as soon as initial program data was available. In its response, the College concurred with the finding, described its initial remedial actions, and its plans for conducting a biennial review. ABTCC also submitted documents in support of its claims.

The Department carefully examined ABTCC's narrative response and supporting documentation. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the College's response and its revised DAAPP, new annual disclosure, new biennial review plan, and its new internal policies

and procedures. Based on the Department's review and ABTCC's admission of noncompliance, the violations identified in the initial finding are sustained. The Department also determined that the College's remedial action plan meets minimum requirements. For these reasons, the Department has accepted the response and considers this finding to be closed for purposes of this Program Review, subject to timely production of the College's biennial review report. Nevertheless, the officials and directors of ABTCC are put on notice that the College must take all other action that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to the Department's report and as may otherwise be needed to ensure that these violations do not recur.

In this regard, ABTCC officials are advised that the College must continue to develop its DAAPP and take definitive steps to regularly test its effectiveness. ABTCC management represented that a substantive biennial review would be conducted in accordance with its new policies and procedures and that this review would be completed in December 2014. To substantiate that claim, the College must submit a copy of its biennial review report and supporting documentation to the Department within 15 days of receipt of this FPRD. The report must be submitted via electronic mail to Jon Finkelstein at jon.finkelstein@ed.gov and to the Department's Clery Act Compliance Team at clery@ed.gov.

Although this finding is now conditionally closed, ABTCC is reminded that the exceptions identified above constitute serious and persistent violations of the *DFSCA* that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. ABTCC asserted that it has taken adequate remedial actions and that by doing so, has taken steps to finally comply with the *DFSCA* as required by its Program Participation Agreement. Notwithstanding the remedial efforts taken thus far, ABTCC officials must understand that compliance with the *DFSCA* is essential to maintaining a safe and healthy learning environment. Data compiled by the Department shows that the use of illicit drugs and alcohol abuse is highly correlated to increased incidents of violent crime on campus. *DFSCA* violations deprive students and employees of important information regarding the negative consequences of drug and alcohol abuse and deprive institutions of important information about the effectiveness of any drug and alcohol abuse prevention policies or programs that may have been in place during the review period. For these reasons, ABTCC is advised that its remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or additional remedial measures as a result.

In light of the serious consequences associated with compliance failures of this type, the Department strongly recommends that ABTCC re-examine its DAAPP policies and procedures on at least an annual basis and revise them as needed to ensure that they continue to reflect current institutional policy and are in full compliance with the

DFSCA. Please be advised that the Department may request information on a periodic basis to test the effectiveness of the College's new policies and procedures.

Finding 20: Crime Awareness Requirements Not Met – Campus Security Policies Inadequate

Noncompliance:

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. §668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R.

§668.41(e)(1). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. §668.41(e)(4).

The Clery Act and the Department's regulations require institutions to include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R.

§668.46(c)(1). When applicable, an institution must also compile and publish crime statistic disclosures for each of its campuses. 34 C.F.R. §668.41(e)(4).

Several policy statements must be included in the ASR. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek

recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are required to disclose alcohol and drug policies and educational programs, as well as policies pertaining to sexual assault education, prevention, and adjudication. Institutions must also provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR. With the exception of certain drug and alcohol program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. § 485(f) of the HEA; 34 C.F.R. §668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's (OPE) "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. §668.41(e)(5).

ABTCC failed to publish and distribute an accurate and complete ASR (2012). Specifically, the College's ASR did not include the following required disclosures:

An institution must report, by category of prejudice, the following crimes reported to local police agencies or to a campus security authority that manifest evidence that the victim was intentionally selected because of the victim's actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability:

- (i) Any crime it reports pursuant to paragraph (c)(1)(i) through (vii) of this section.
- (ii) The crimes of larceny-theft, simple assault, intimidation, and destruction/damage/vandalism of property.
- (iii) Any other crime involving bodily injury.

An institution must include policy statements regarding its emergency response and evacuation procedures in the Annual Security Report. The following are statements that must be included:

- (i) The institution's procedures to test the emergency response and evacuation procedures on at least an annual basis, including—
 - (a) Tests that may be announced or unannounced;
 - (b) Publicizing emergency response and evacuation procedures in conjunction with at least one test per calendar year; and

(c) For each test, a description of the exercise, the date, time, and whether it was announced or unannounced.

Failure to publish an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important security information.

Directives From Program Review Report:

As a result of this finding, ABTCC was required to review and revise its existing policies and procedures that govern the preparation, publication, and distribution of its ASR. The institution was also required to develop and implement new policies and procedures in order to ensure that these violations do not recur, and that going forward, all campus security operations are carried out in accordance with the Clery Act.

Using its new and revised policies and procedures as a guide, ABTCC was required to prepare and publish a 2013 ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). Once the ASR was evaluated by the Department for accuracy and completeness, ABTCC was required to actively distribute the ASR to all current students and employees in accordance with 34 C.F.R. §668.41(e). Finally, ABTCC was required to provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that the ABTCC understands its Clery Act obligations, and that it has taken all necessary actions to ensure that this violation does not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. ABTCC was given an opportunity to bring its campus security operations into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, ABTCC is advised that these remedial measures cannot and do not diminish the seriousness of these violations, nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Final Determination:

In its official response, ABTCC concurred with the finding and stated that the College has reviewed and revised its policies and procedures regarding the preparation, publication, and distribution of the ASR to ensure that all aspects of the process are carried out in accordance with the Clery Act. ABTCC prepared and published an accurate and complete 2013 ASR that includes all the statistical disclosures, policy and procedures, and programmatic information required under the regulations. In addition,

the College actively distributed its new ARS to all current students and employees on October 1, 2014.

Per the response, ABTCC also took specific actions as directed by the Department to review and revise the internal policies and procedures that govern the preparation, publication, and distribution of the ASR. ABTCC asserted that it developed a policy that outlines how required disclosure information will be developed and collected for inclusion in the ASR. This policy establishes a timeline that will help ensure the timely collection and distribution of all information. This policy also purports to establish an audit trail to document the College's compliance efforts.

ABTCC's response also represented that the College is committed to Clery compliance and had taken several steps to improve its Clery compliance with one occurring prior to the Department's visit.

Finding 20 cited ABTCC for its failure to include the required campus safety policies and procedures in the 2012 ASR. As a result of this failure, the College was required to take all necessary remedial action to ensure that the 2013 ASR contained all of the required content, and to also make sure that the report was actively distributed to all enrolled students and current employees. In addition, ABTCC was required to ensure that prospective students and employees were actively notified about the availability of the 2013 ASR and to explain the contents of the report and advise how interested persons may obtain a copy of the report. In its response, ABTCC concurred with the Department's finding and described the steps that were taken to address the violation.

The Department carefully reviewed all available documentation including the College's response and supporting documents. Based on that review and ABTCC's admission of noncompliance, the violations identified in the initial finding are sustained. The Department has also determined that ABTCC's remedial action plan meets minimum requirements. For these reasons, the Department has accepted ABTCC's response and considers this finding to be closed for the purposes of this program review. Nevertheless, the officials and directors of ABTCC are put on notice that the College must take all additional actions that may be necessary to address the deficiencies and weaknesses identified by the Department as well as those that were detected during the preparation of the response to this report and as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed, ABTCC is reminded that the exceptions identified above constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. The requirement to develop and implement a comprehensive public safety and crime prevention program and to publish and distribute an ASR containing accurate and complete campus crime statistics and campus safety policies and procedures are fundamental goals of the Clery Act. ABTCC asserted that it has taken adequate remedial

actions and that by doing so, that it is now in compliance with the Clery Act as required by its Program Participation Agreement (PPA). Nevertheless, ABTCC is advised that its remedial actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result.

Because of the serious consequences of such violations, the Department strongly recommends that ABTCC officials re-examine its campus security, drug and alcohol, and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal requirements. To that end, ABTCC officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2013) as a reference guide on Clery Act compliance. The Handbook is online at: www2.ed.gov/admins/lead/safety/handbook.pdf. The Department also provides a number of other Clery Act training resources. The College can access these materials at: www2.ed.gov/admins/lead/safety/campus.html. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Findings with Final Determinations

The Program Review Report findings requiring further action are summarized below. At the conclusion of each finding is a summary of ABTCC's response to the finding and the Department's final determination for that finding. A copy of the Program Review Report issued on July 28, 2014 is attached as Appendix B.

Finding 1: Pell and Direct Loan Overpayment – Incorrect Clock to Credit Hour Conversion

Noncompliance:

When determining the length of an educational program that is designed to prepare students for gainful employment in a recognized occupation, an institution must comply with specific regulatory requirements regarding program length. 34 C.F.R. § 668.8(l). The program length is critical for determining not only the eligibility of the program itself, but the amount of Title IV funds a student is entitled to receive. For gainful employment programs that are measured in credit hours, institutions must ensure that there are sufficient clock hours of instruction for each semester or quarter hour awarded. In this regard, a semester hour must include at least 37.5 clock hours of instruction. 34 C.F.R. § 668.8(l)(1)(i).

An institution's conversions to establish a minimum number of clock hours of instruction per credit may be less than those specified above if the institution's designated accrediting agency, or recognized State agency has not identified any deficiencies with the institution's policies and procedures, or their implementation, for determining the credit

hours that are awarded. In addition, the institution's student work outside of class combined with the clock-hours of instruction must meet or exceed the numeric requirements above, and the semester hour must include at least 30 clock hours of instruction. 34 C.F.R. §§ 668.8(l)(2)(i),(ii).

These conversion formulas must be used unless the program is at least two academic years in length and provides an associate degree, a bachelor's degree, a professional degree, or an equivalent degree as determined by the Department; or each course within the program is acceptable for full credit toward that institution's associate degree, bachelor's degree, professional degree, or equivalent degree as determined by the Department. To meet this exception, the school's degree must require at least two academic years of study and the school must demonstrate that students enroll in, and graduate from, the degree program. 34 C.F.R. §§ 668.8(k).

The credits approved by States and accrediting agencies are not necessarily the credits for FSA purposes. For FSA purposes, the number of credits in the program will be those determined by the conversion formula, and they will never be more than those approved by a state or accrediting agency.

During the review, ten additional files were reviewed of students enrolled in programs measured in credit that are GE programs. In one out of ten reviewed files, ABTCC miscalculated Title IV eligibility for one or more payment periods. Specific information is provided below for the student.

Student 1 (Certificate/Diploma Sample): This student was accepted into the Dental Assisting Diploma program beginning with the Fall semester of 2012. The Dental Assisting Diploma program is subject to clock to credit hour conversion. The program consists of 1104 clock hours. The conversion for this program is $1104/37.5 = 29$ total financial aid credits.

The student was enrolled in 16 school credit hours during the Fall 2012 semester which consisted of 336 contact hours. The conversion for 336 contact hours is $336/37.5 = 8.98$ Title IV credits. The student was paid a $\frac{3}{4}$ Pell payment for the Fall 2012 semester. ABTCC rounded which is not permitted. Therefore, the student was only eligible for a half time Pell payment. The student was over awarded \$500 in Pell funds.

The student was enrolled in five credit hours during the Summer 2013 semester which consisted of 208 contact hours. The conversion for 208 contact hours is $208/37.5 = 5.55$ Title IV credits. The student was paid an incorrect Pell amount for less than half time status (\$488), when the student was half time status. The student was eligible for \$500 and was under awarded by \$12.

In addition, dialogue with ABTCC staff indicated that there was no procedure in place to track total program eligibility for clock to credit hour conversion programs. There was

no mechanism in place to prevent a student from receiving Title IV aid for attempted financial aid hours beyond the program's maximum eligibility.

Directives From Program Review Report:

ABTCC was required to conduct a 100% file review of students who were enrolled in a program subject to the clock to credit hour conversion that received Title IV aid during the 2012-2013 award year (excluding students identified in the Program Review Certificate/Diploma Sample). Incorrect clock to credit hour conversion calculations that resulted in ineligible Title IV awards were required to be reported to the Department in ABTCC's response to the Program Review Report.

ABTCC conducted the file review that was requested by the Department. The review included all students that were enrolled in each of the eight programs that were subject to clock to credit hour conversion.

Final Determination: The reviewer reviewed the results of the file review conducted by ABTCC. The following table is a listing of affected students.

Student's Name	Ineligible Program(s)	Disbursement Date(s)	Ineligible Amount(s)
Chavez, Yuriko	Pell	09/14/2012 02/13/2013	\$ 694 \$ 694
	Pell	09/17/2012	\$ 313
	Pell	09/17/2012	\$ 694
	Pell	03/18/2013	\$ 450
	Pell	12/10/2012	\$ 694
	Pell	09/14/2012	\$ 694
	Pell	09/14/2012	\$ 500
	Pell	09/14/2012	\$ 694
	Pell	10/03/2012	\$1,175
	Pell	11/07/2012	\$ 694
	Pell	09/14/2012	\$ 694
	Pell	09/14/2012	\$ 694
	Pell	09/14/2012	\$ 694
	Pell	11/13/2012	\$1,387

The total ineligible Title IV Federal Pell Grant for this finding is **\$10,765.00**. ABTCC is also required to repay **\$190.34** for the Cost of Funds (COF) on the ineligible Federal Pell Grant disbursements. The COF is the expense the Department incurred as a result of ABTCC retaining ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. A copy of the COF calculation is included in Appendix G of this report. The total liability is **\$10,955.34**.

Finding 2: Ineligible Student – Not Making Satisfactory Academic Progress (SAP)

Noncompliance:

An institution participating in the Title IV programs must establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress (SAP) in his or her educational program. 34 C.F.R. § 668.16 (e). The Secretary considers an institution's standards to be reasonable if the standards—

- Are the same as or stricter than the institution's standards for a student enrolled in the same educational program who is not receiving Title IV assistance. 34 C.F.R. § 668.34(a)(1).
- The policy provides for consistent application of standards to all students within categories of students, e.g., full-time, part-time, undergraduate, and graduate students, and educational programs established by the institution. 34 C.F.R. § 668.34(a)(2).
- The policy provides that a student's academic progress is evaluated—
 - At the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or
 - For all other educational programs, at the end of each payment period or at least annually to correspond with the end of a payment period;34 C.F.R. § 668.34(a)(3).
- The policy specifies a **qualitative standard**, or grade point average (GPA) that a student must achieve at each evaluation (if a GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm). If a student is enrolled in an educational program of more than two academic years, the policy specifies that at the end of the second academic year, the student must have a GPA of at least a "C" or its equivalent. 34 C.F.R. § 668.34(a)(4).
- The policy specifies a quantitative standard, or the pace at which a student must progress through his or her educational program to ensure that he will complete the program within the maximum timeframe, and provides for measurement of the student's progress at each evaluation. For an undergraduate program maximum timeframe means a period that is no longer than 150% of the published length of the educational program. For a graduate program, it means a period defined by the institution that is based on the length of the program. 34 C.F.R. §§ 668.34(a)(5)(i),(b).
- An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. 34 C.F.R. § 668.34(a)(5)(ii).

- The policy describes how a student's GPA and pace of completion are affected by course incompletes, withdrawals, repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours. 34 C.F.R. § 668.34(a)(6).
- The policy provides that, at the time of each evaluation, a student who has not achieved the required GPA, or who is not successfully completing his or her educational program at the required pace, is no longer eligible to receive assistance unless required steps are followed. 34 C.F.R. §§ 668.34(a)(7),(c),(d).
- If the institution places students on financial aid warning, or on financial aid probation, the policy describes these statuses as—
 - Financial aid warning is a status assigned to a student who fails to make SAP only at an institution that evaluates academic progress at the end of each payment period. Financial aid warning may be assigned without an appeal or other action by the student. It is good for one payment period.
 - Financial aid probation is a status assigned by an institution to a student who fails to make SAP but who has appealed, and has had eligibility for aid reinstated. A student on financial aid probation may receive Title IV funds for one payment period. However, a student on financial aid probation may not receive Title IV funds for the subsequent payment period unless the student makes satisfactory academic progress or the institution places him on probation and develops an academic plan. 34 C.F.R. §§ 668.34(8),(b).
- If the school permits appeals, the policy must explain that the student may appeal on the basis of: his injury or illness, the death of a relative, or other special circumstances. The appeal must also explain why he or she failed to make satisfactory progress and what has changed in his situation that will allow him to make satisfactory progress at the next evaluation. 34 C.F.R. § 668.34(a)(9).
- If the institution does not permit a student to appeal a determination that he or she is not making SAP, the policy must describe how the student may reestablish his or her eligibility to receive assistance under the Title IV programs. 34 C.F.R. § 668.34(a)(10).
- The institution must have a policy to notify students of the results of an SAP evaluation that impacts his or her eligibility for funds. 34 C.F.R. § 668.34(a)(11).

If a student is not meeting an institution's SAP policy he/she is ineligible to receive additional Title IV funds. See 34 C.F.R. § 668.32(f).

ABTCC's Satisfactory Academic Progress Policy states the following.

"According to federal and state regulations, students receiving financial aid must maintain Satisfactory Academic Progress (SAP). The Financial Aid Office at Asheville-

Buncombe Technical Community College monitors a student's academic progress as a condition of eligibility when the student applies for financial aid and at the end of each enrollment period (semester). These requirements are applied to a student's entire academic history at A-B Tech, including transfer hours from other schools and including periods when financial aid was not received (e.g. courses taken through A-B Tech in high school).

Under the policy a student was considered to be making satisfactory academic progress when the following three requirements are satisfied:

1. Qualitative Standard (Cumulative Grade Point Average) – A student must maintain a minimum cumulative grade point average of 2.0.
2. Quantitative Standard (Completion Rate) – A student must maintain a minimum cumulative completion rate of 67%.
3. Quantitative Standard (Maximum Timeframe) – A student must successfully complete the program of study within its timeframe. Federal regulations specify that the timeframe may not exceed 150% of the published length of the program. When students exceed the timeframe for their programs of study, they are no longer eligible to receive financial aid. However, students can submit an appeal to the Appeals Committee to have their eligibility extended if there are extenuating circumstances.

The policy also included the following:

1. Appeal Process - Students who are not meeting the Satisfactory Academic Progress (SAP) policy may appeal for reinstatement of financial aid eligibility. All appeals will be reviewed, approved, and/or denied by the Financial Aid Ad Hoc Appeals Committee. An appeal can only be submitted if a student's failure to make satisfactory academic progress is based upon events beyond their control. Applicable circumstances would include medical issues, death/illnesses, and any other uncontrollable events.
2. Key points to remember regarding maximum timeframe:
 - a. Since the timeframe sets the limit for the number of credit hours a student may attempt and remain eligible to receive financial assistance, it is very important that the student plan class schedules carefully with his or her academic advisor and/ or the Student Services advising staff. It is the responsibility of the student to register only for classes listed in his or her chosen Academic Program in the College catalog and for scheduling only

the number of hours he or she is capable of completing. Some students will be required to take developmental courses, which will also be counted as hours attempted. Students are responsible for knowing the policy concerning the limitation on hours attempted for financial aid purposes. Registering for more courses than a student is capable of completing, having to withdraw from classes, registering for courses for which the student has already received credit, taking courses in error, etc. all impact the timeframe and could result in losing financial aid eligibility before completing a program of study.

- b. The timeframe is cumulative; therefore, by switching programs without completing the initial program, the student runs the risk of losing financial aid eligibility.
- c. The timeframe begins when the student first attends the College and continues until that student successfully completes a program of study regardless of the number of years that may elapse between enrollment periods.
- d. Only students who successfully complete a program of study will have attempted and completed credit hours from earning a degree, diploma, or certificate deducted from the maximum timeframe calculation for the next program of study.
- e. Students who take course work and are unclassified will have those hours attempted added to their timeframe if and when they enter a specific program of study.
- f. Students accepted into a program of study who are required to take developmental course work, as determined by placement testing results and the professional judgment of Student Services, will have the credit hours attempted for such course work count toward their maximum timeframe. (Financial aid can only pay for 30 credit hours of developmental course work).
- g. The credit hours for course incompletes, withdrawals, and repetitions will be counted as hours attempted toward the timeframe.
- h. Students switching from a degree program to a vocational program who have exceeded the maximum timeframe may submit an appeal to the Appeals Committee for a timeframe extension.
- i. Credit hours transferred in from other academic institutions will be counted toward the maximum timeframe of eligibility. Prior degrees earned will be

taken into consideration when determining transfer hours.”

The Department identified three students who were not meeting ABTCC’s SAP standards. The institution submitted documentation that resolved the finding for Student 16. Detailed information regarding the remaining two students is provided below.

Student 19: This student was enrolled in the Associate in Arts program during her enrollment at ABTCC. This program requires 60 credit hours for completion. The student was ineligible due to failure to maintain SAP for maximum time frame and grade point average.

The maximum time frame for Title IV purposes for students enrolled in this program is $60 \times 1.5 = 90$ credit hours. The student had a total of 111 credits transferred in from other institutions. ABTCC’s SAP policy states that hours transferred in from other institutions will be counted toward the maximum timeframe eligibility. This student was not eligible for Title IV as of her initial enrollment at ABTCC.

In addition to the issue with initial ineligibility, the student submitted a SAP appeal on 8/17/2009 that was subsequently approved on 9/16/2009. The stipulations of the approval stated the following:.

“To remain eligible for financial aid you must either complete all of your classes with grades of “C” or better or you must be making satisfactory academic progress according to the college policy for students who are eligible for financial aid.”

The student received an “F” during the Spring 2010 semester and earned a semester grade point average of 1.846. ABTCC’s SAP standard for grade point average was 2.0. The student lost eligibility after the Spring 2010 semester. The student was not eligible for aid when she resumed enrollment (Fall 2013 and Spring 2014 semesters). There was no documentation of a second SAP appeal in the student’s file. Datatel records indicated a suspended status for Fall 2013 with no appeal and a warning status for Spring 2014.

The student received \$1,412 in Pell for the fall 2013 semester and \$558.75 in Pell for the spring 2014 semester. The student was not eligible for Title IV funds during the fall 2013 or spring 2014 semesters.

Student 22: This student was enrolled in the Associates in Arts program during the Fall 2013 semester. Prior to the Fall 2013 semester, the student did not meet the SAP percentage completion requirement. Per discussion with ABTCC staff, the student submitted her FAFSA in September of 2013. The SAP process was run and the student was erroneously placed in a warning status for the Fall 2013 semester. The student should not have been eligible during the Fall semester. The student appealed SAP for the Spring 2014 semester and was approved.

The student was not eligible for Title IV funds (\$1,412 Pell) during the Fall 2013 semester.

Directives From Program Review Report:

In lieu of performing a file review for the entire population of students that were disbursed Title IV funds while not meeting SAP, ABTCC chose to perform this file review for only the remainder of the statistical sample not identified by the Department in the Program Review Report (2013-2014 award year only).

Final Determination:

As relevant here, ABTCC disputed the finding for Student 19. The Department disagrees.

Student 19: ABTCC disputed the inclusion of this student in the finding and provided information in writing and via conference call regarding the evaluation of SAP after the student was placed on probation (approved appeal). ABTCC stated that the student's SAP evaluation should be based on cumulative performance rather than the performance of the term following the probationary status. In written correspondence dated November 16, ABTCC stated,

"The terms of the student's probation quoted in the finding include the following: To remain eligible for financial aid you must either compete all of your classes with grades of "C" or better or you must be making satisfactory academic progress according to the college policy for students who are eligible for financial aid.

This probation had two conditions, and meeting either one was sufficient for the student to come off probation: either (1) complete all courses with grades of at least "C" or (2) be making SAP under the college's financial aid SAP policy. Although the student did not receive grades of all "C" or better during the term of probation, the other option to satisfy probation was met. The student was making satisfactory academic progress according to the college policy for students who are eligible for financial aid.

At the end of Spring 2010, the probation term, the student had a cumulative GPA of 2.050 which met the requirement of a 2.0 CGPA contained in the SAP policy. The finding in the program review report notes that the student's semester GPA for the Spring 2010 term was a 1.846, however, the semester GPA is not a factor in the college' SAP policy or in the terms of the student's probation."


The Department disagreed with ABTCC's position regarding a cumulative evaluation of SAP after a student is placed on probation. A student is evaluated on his/her performance for the subsequent term only. The 2013-2014 Student Aid Handbook, Volume 1, Chapter 1 at 11-12 states, all schools may use the financial aid probation as part of their satisfac-

tory progress policy. When a student loses FSA eligibility because he failed to make satisfactory progress, if the school permits appeals, he may appeal that result on the basis of: his injury or illness, the death of a relative, or other special circumstances. His appeal must explain why he failed to make satisfactory progress and what has changed in his situation that will allow him to make satisfactory progress at the next evaluation.

If you determine, based on the appeal, that the student should be able to meet the SAP standards by the end of the subsequent payment period, you may place him on probation without an academic plan. You must review the student's progress at the end of that one payment period, as probation status is for one payment period only. If you determine, based on the appeal, that the student will require more than one payment period to meet progress standards, you may place him on probation and develop an academic plan for the student. You must review the student's progress at the end of one payment period as is required of a student on probation status, to determine if the student is meeting the requirements of the academic plan. If the student is meeting the requirements of the academic plan, the student is eligible to receive Title IV aid as long as the student continues to meet those requirements and is reviewed according to the requirements specified in the plan. The student did not meet these required elements of an appeal.

The Department reviewed the results of the file review conducted by ABTCC in response to this finding. Several errors were noted in the review. Information for one of the reported students (Jeremy Mace) did not include the Spring 2014 ineligible disbursement. ABTCC staff agreed and provided information regarding the omission. The response was corrected by the reviewer to include the ineligible funds. In addition, 4 students that were included in ABTCC's response were deemed eligible for Title IV funds (Boettcher, Cowen, Jones and Ryan). Each student crossed over the 150% mark during the reported semester. ABTCC reported a partial over payment for each student based on the number of eligible hours remaining prior to reaching 150%. The students were eligible for the full payment despite crossing over the 150% threshold during the applicable semester. Each student was omitted from the finding.

The following students received Title IV aid during periods in which the student was not making SAP.

Student's Name	Ineligible Program(s)	Disbursement Date(s)	Ineligible Amount(s)
Student Sample - 17	Pell	9/13/2013	\$2,117.00
	Subsidized Direct Loan	9/13/2013	\$2,227.00
	Unsubsidized Direct Loan	9/13/2013	\$ 885.00

	Pell	11/6/2013 2/17/2014	\$1,412.00 \$ 558.75
	Pell	11/15/2013	\$1,412.00
	Pell	9/13/2013	\$ 798.00
	Pell	9/13/2013 2/17/2014	\$1,249.00 \$1,249.00
	Pell	2/17/2014	\$2,117.00
	Pell	9/13/2013	\$2,823.00
	Subsidized Direct Loan	9/13/2013	\$1,732.00
	Unsubsidized Direct Loan	9/13/2013	\$1,121.00
	Pell	10/1/2013	\$ 424.00
	Pell	11/6/2013 2/17/2014	\$ 700.00 \$ 147.43
	Pell	11/5/2013	\$ 706.00
	Pell	2/17/2014	\$ 706.00
	Pell	2/17/2014	\$2,882.00
	Subsidized Direct Loan	2/17/2014	\$3,463.00
	Unsubsidized Direct Loan	2/17/2014	\$1,237.00
	Pell	9/13/2013	\$2,823.00
	FWS		\$1,032.00
	Pell	9/13/2013	\$1,798.00
	Pell	9/13/2013	\$2,117.00
	Pell	11/5/2013	\$1,412.00
	Subsidized Direct Loan	11/5/2013	\$1,732.00
	Pell	9/13/2013	\$2,117.00
	Federal	9/13/2013	\$ 250.00

	Supplemental Educational Opportunity Grant (FSEOG)		
	Subsidized Direct Loan	9/13/2013	\$1,732.00
	Unsubsidized Direct Loan	9/13/2013	\$2,969.00
	Pell	9/13/2013	\$1,998.00
	Subsidized Direct Loan	9/13/2013	\$1,732.00
	Unsubsidized Direct Loan	9/13/2013	\$2,969.00
	Pell	9/13/2013 2/17/2014	\$2,548.00 \$2,547.00
	Unsubsidized Direct Loan	9/13/2013	\$2,474.00
	Pell	9/13/2013	\$2,823.00
	Pell	9/13/2013	\$2,823.00
	Pell	9/13/2013	\$1,959.65
	Pell	9/13/2013	\$ 693.65
	Pell	9/13/2013	\$1,412.00

Total 2013-2014 Ineligible Funds – (Projection Sample Only)

Pell Grant \$ 46,372.48
 FWS \$ 1,032.00
 FSEOG \$ 250.00

Subsidized Direct Loan \$ 12,618.00
 Unsubsidized Direct Loan \$ 11,655.00

ABTCC chose to limit its review of students to the statistical sample provided by the Department. A statistical sample is defined as a group of records selected in a random, unbiased manner from an unduplicated target population or universe. ABTCC provided the target population of students receiving Title IV aid in its submission of its 2013-2014 recipient data spreadsheets. Liability projections for the target population or universe are calculated from the data in the statistical sample.

The estimated amount of liabilities (Pell Grant, FWS and FSEOG) owed by an institution is based on the following formula:

$$\frac{\text{Liabilities in Statistical Sample} / \text{Statistical Sample Size}}{\text{X Target Population Size}}$$

The projected ineligible 2013-2014 Title IV Federal Pell Grant, FWS and FSEOG funds for this finding are reported in the tables below. The sample projection calculations are outlined in Appendix F.

Pell Grant	Pell Grant COF	FWS	FWS COF	FSEOG	FSEOG COF	Total
\$629,127.21	\$482.67	\$13,988.16	\$10.73	\$3,399.90	\$2.61	\$647,011.28

As noted in the before mentioned tables, ABTCC is also required to repay the COF on the projected ineligible Federal Pell Grant and FSEOG disbursements. The COF is the expense the Department incurred as a result of ABTCC retaining ineligible funds. The rate of interest is based on when the funds should have been returned to the Department. A copy of the COF calculation is included in Appendix H of this report.

The total projected loan liability is \$647,011.28. In lieu of requiring the institution to repurchase all loans, the Department is assessing the estimated loss the Department will incur on the ineligible loans. The estimated loss using the school's default rate is **\$11,374.48**. A copy of the results of this calculation is included in Appendix I.

Finding 4: Title IV Aid Paid for Coursework Not Required for Student's Program of Study

Noncompliance:

A student's Federal Pell Grant for a payment period is calculated using the student's enrollment status. See 34 C.F.R. 690.63). Only courses that count towards a student's degree or certificate can be used for determining enrollment status unless they are eligible remedial course. 2012-2013 Federal Student Aid Handbook, Volume 1 at 14.

During the course of the Program Review, two instances of Title IV aid paid for coursework not applicable to the student's degree or certificate program were identified. Student specific information is presented below.

Student 17: This student enrolled in Introduction to New Testament (REL 212) during the Fall 2013 semester. The student was enrolled in the Human Services Technology program during the Fall 2013 semester. ABTCC confirmed that the student was advised to take REL 212 during her prior enrollment in the Associate of Arts program. The

Introduction to New Testament course was not required for the Human Services Technology program. The student was paid a three quarter Pell payment during the Spring 2013 semester - the REL 212 class could not be counted towards his status. The student was improperly paid a $\frac{3}{4}$ time award of \$2,117 when he was only eligible for a half time Pell payment of \$1,411. This resulted in an overaward of \$706.

Student 5 (Certificate/Diploma Sample): This student was enrolled in the Foodservice Technology program for the Summer 2013 and Fall 2013 semesters. The Foodservice Technology program does not include a math requirement. In the Fall 2013 semester, the student was paid a three quarter Pell payment (10 credit hours) in the amount of \$2,117. The student was enrolled in 3 Title IV ineligible remedial mathematics courses during the Fall 2013 semester (3 total credit hours). As such, the student was only eligible for Title IV for 7 credit hours (half time). The student should have received \$1,411 in Pell funds. The student was over awarded by \$706 in Pell funds.

Directives From Program Review Report:

ABTCC was directed to respond to the issues in this Finding.

Final Determination:

In its response to the Program Review Report, ABTCC supplied a revised awarding policy/procedures document that addressed the issue discussed in the noncompliance section of this finding.

ABTCC agreed with this finding. In its response to the Program Review Report, ABTCC stated that the institution is confident that this issue is not systemic. ABTCC will implement a degree audit program being developed by the North Carolina Community College System and the Ellucian Financial Aid Management System. Additionally, ABTCC is writing a computer program designed to produce a course in program report that will analyze registered courses to determine if all courses are applicable to the student's program of study. The program will also consider course equivalencies and approved substitutions.

ABTCC awarded Title IV aid for coursework not required for two students in the program review sample. The following table provides student specific information.

Student's Name	Program of Study	Ineligible Course	Disbursement Date	Over-Award
Student Sample 17	Human Services Technology	REL 212	9/13/2013	Student was only eligible for half time Pell (\$1,411). Over award of \$706.
Certificate/Diploma	Foodservice	Remedial	9/13/2013	Student was only

Sample 5	Technology Program	Mathematics		eligible for half time Pell (\$1,411). Over award of \$706.
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The total ineligible Title IV Federal Pell Grant for this finding is **\$1,412.00**. The COF on these ineligible funds is **\$12.30**. Total liability is \$1,424.30. A copy of the COF calculation is included in Appendix J of this report.

D. Summary of Liabilities

The total amount calculated as liabilities from the findings in the program review determination is as follows.

Liabilities	Pell (Closed Award Year)	FSEOG	FWS	Cost of Funds	Estimated Actual Loss – Direct Loans
Finding 1	10,765.00			\$190.34	
Finding 2	629,127.21	3,399.90	13,988.16	\$482.67 - Pell \$10.73 - FWS \$2.61 - FSEOG	11,347.48
Finding 4	1,412.00			\$12.30	
TOTAL	\$641,304.21	\$3,399.90	\$13,988.16	\$698.65	\$11,347.48

Total: \$670,738

E. Payment Instructions

Terms of Payment

ABTCC owes to the Department **\$670,738**. This liability must be paid using an electronic transfer of funds through the Treasury Financial Communications System, which is known as FEDWIRE. ABTCC must make this transfer within **45 days of the date of this letter**. This repayment through FEDWIRE is made via the Federal Reserve Bank in New York. If MBS bank does not maintain an account at the Federal Reserve Bank, it must use the services of a correspondent bank when making the payments through FEDWIRE.

Any liability of \$100,000 or more identified through a Program Review must be repaid to the Department via FEDWIRE. The Department is unable to accept any other method of payment in satisfaction of these liabilities.

Payment and/or adjustments made via G5 will not be accepted as payment of this liability. Instead, the school must first make any required adjustments in COD as required by the applicable finding and Section II – Instructions by Title IV, HEA Program (below), remit payment, and upon receipt of payment the Department will apply the funds to the appropriate G5 award (if applicable).

SectionII: Instructions by Title IV, HEA program

Grant Closed AY - Payment Instruction

Findings: 1 and 4

Appendices: G, J

ABTCC must repay:

Pell Closed Award Year			
Amount (Principal)	Amount (Interest)	Title IV Grant	Award Year
Finding 1 \$10,765.00	\$ 190.34	Pell	2012 - 2013
Finding 4 \$1,412.00	\$ 12.30	Pell	2013 - 2014
Total Principal	Total Interest		
\$12,177.00	\$202.64		

The disbursement record for each student identified in the Finding 1 and Finding 4 (Appendix G and Appendix J) must be adjusted in the Common Origination and Disbursement (COD) system based on the recalculated amount (principal) identified in the applicable finding and appendix.

Adjustments in COD must be completed prior to remitting payment to the Department. **Payment cannot be accepted via G5. Once the Department receives payment via FEDWIRE, the Department will apply the principal payment to the applicable G5 award. Interest will be applied to the general program account.**

A copy of the adjustment to each student's COD record must be sent to Jon Finkelstein **within 45 days of the date of this letter.**

Direct Loan - Estimated Actual Loss

Finding: 2

Appendix: I

DL Estimated Actual Loss	
Amount	Award Year
\$11,347.48	2013-2014
Total \$11,347.48	

ABTCC must pay **\$11,347** in Direct Loan estimated loss liabilities for award year 2013-2014. The liabilities will be applied to the general Direct Loan fund.

Instructions for completing the electronic fund transfer message format are included on the attached FEDWIRE form. The repayment must be accomplished within 45 days of the date of this letter. If payment is not received through FEDWIRE within that period, interest will accrue in monthly increments, starting with the day after the date of this letter until the date receipt at FEDWIRE.

If you have any questions regarding interest accruals or payment credits, you may telephone 202-245-8080 and ask to speak to your institution's account representative. If full payment cannot be made within 45 days of the date of this letter, contact the Debt Management Group at (202) 245-8080 to apply for a payment plan. Interest charges and other conditions apply. Written request may be sent to:

U.S. Department of Education
Office of the Chief Financial Officer
Accounts Receivable Group
550 12th Street, SW, Room 6114
Washington, DC 20202-4461

If within forty-five days of the date of this letter, your institution has neither made payment in accordance with these instructions nor entered into an arrangement to repay the liability under terms satisfactory to the U.S. Department of Education, the Department intends to collect the amount due and payable by administrative offset against payments due to your organization from the Federal Government. Your institution may object to the collection by offset only by challenging the existence or amount of the debt.

Your institution makes this challenge by timely appealing this determination under the procedures described in the "Appeal Procedures" section of this letter. The Department will use those procedures to consider any objection to offset. No separate appeal opportunity will be provided. If a timely appeal is filed, the Department will defer offset until completion of the appeal, unless the Department determines that offset is necessary

as provided in 34 C.F.R. § 30.28. This debt may also be referred to the Department of the Treasury for further action as authorized by the Debt Collection Improvement Act of 1996.

The following identification data applies to this repayment and must be written on the attached FEDWIRE form and any other documents submitted related to this liability:

Amount: \$ 670,738

TIN: 560792170

PRCN: 30428617

DUNS: 070632047

APPENDIX B

Prepared for
Asheville Buncombe Technical
Community College

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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OPE ID 00403300
PRCN 201430428617

Prepared by
U.S. Department of Education
Federal Student Aid
School Participation Division - Atlanta

Program Review Report

July 28, 2014

Federal Student Aid Atlanta School Participation Division
61 Forsyth Street, Suite 18T40
Atlanta, Georgia 30303-8918
www.FederalStudentAid.gov

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E. Appendices

Appendix A: 2013 and 2014 Student Samples

Appendix B: Certificate/Diploma Student Sample

A. Institutional Information

Asheville Buncombe Technical Community College
340 Victoria Road
Asheville, North Carolina 28801-4897

Type: Public

Highest Level of Offering: Associates Degree

Accrediting Agency: Southern Association of Colleges and Schools Commission on Colleges

Current Student Enrollment: 11,308 (2014)

% of Students Receiving Title IV: 43.76% (2014)

Title IV Participation Postsecondary Education Participants System (PEPS):

2012-2013

Federal Pell Grant Program (Pell)	\$ 14,211,546
Federal Direct Loan Program (DL)	\$ 12,201,823
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$ 101,077
Federal Work Study Program (FWS)	\$ 89,994

Total:	\$ 26,604,440
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Default Rate FFEL/DL:	2011	13.2%
	2010	8.6%
	2009	7.2%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a Program Review at Asheville Buncombe Technical Community College (ABTCC) from June 2, 2014 to June 6, 2014. The review was conducted by Jon Finkelstein, Sherry Blackman and Lonnie Seal.

The focus of the review was to determine ABTCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of ABTCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2013 and 2014 award years (year to date). The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. In addition, 10 files were selected based on a limited number of diploma/certificate students in the original sample. Appendix A lists the names of the students whose files were examined during the program review.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning ABTCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve ABTCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by ABTCC to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1: Pell and Direct Loan Overpayment – Incorrect Clock to Credit Hour Conversion

Citation: 34 C.F.R. § 668.8 (l) states except as provided in paragraph (l)(2) of this section, for purposes of determining whether a program described in paragraph (k) of this section satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and of determining the number of credit hours in that educational program with regard to the title IV, HEA programs—

(i) A semester hour must include at least 37.5 clock hours of instruction.

(2) The institution's conversions to establish a minimum number of clock hours of instruction per credit may be less than those specified in paragraph (1)(1) of this section, if the institution's designated accrediting agency, or recognized State agency for the approval of public postsecondary vocational institutions, for participation in the title IV, HEA programs has not identified any deficiencies with the institution's policies and procedures, or their implementation, for determining the credit hours, as defined in 34 CFR 600.2, that the institution awards for programs and courses, in accordance with 34 CFR 602.24(f), or, if applicable, 34 CFR 603.24(c), so long as—

(i) The institution's student work outside of class combined with the clock-hours of instruction meet or exceed the numeric requirements in paragraph (1)(1) of this section; and

(ii)(A) A semester hour must include at least 30 clock hours of instruction.

The 2013-2014 Federal Student Aid Handbook, Volume 2, Chapter 2, pp. 28-29 states if your school offers an undergraduate educational program in credit hours that is considered a Gainful Employment (GE) program, it must use one of the following conversion formulas unless:

- the program is at least two academic years in length and provides an associate degree, a bachelor's degree, a professional degree, or an equivalent degree as determined by the Department; or
- each course within the program is acceptable for full credit toward that institution's associate degree, bachelor's degree, professional degree, or equivalent degree as determined by the Department, provided that 1) the school's degree requires at least two academic years of study; and 2) the school demonstrates that students enroll in, and graduate from, the degree program.

The formula will determine if after the conversion the program includes the minimum number of credit hours to qualify as an eligible program for FSA purposes.

For determining the number of credit hours in that educational program

- A semester hour must include at least 37.5 clock hours of instruction.

To determine if the program meets the FSA standard for the minimum number of credit hours for that type of program, schools must use one of the following formulas. For a semester or trimester hour program

Number of clock hours in the credit-hour program

37.5

If a school applies the appropriate formula and finds that a program is eligible, the converted credit hours are used to determine the amount of FSA funds that a student who is enrolled in the program is eligible to receive as explained in *Volume 3, Chapter 1*.

When some states and accrediting agencies approve programs, they also approve the number of credits in the programs. The credits approved by states and accrediting agencies are not necessarily the credits for FSA purposes. For FSA purposes, the number of credits in the program will be those determined by the conversion formula, and they will never be more than those approved by a state or accrediting agency.

Noncompliance: During the review, ten additional files were reviewed of students enrolled in undergraduate educational programs measured in credit that are GE programs. In one out of ten reviewed files, ABTCC miscalculated Title IV eligibility for one or more payment periods. Specific information is provided below for the student.

Student 1 (Certificate/Diploma Sample): This student was accepted into the Dental Assisting Diploma program beginning with the fall semester of 2012. The Dental Assisting Diploma program is subject to clock to credit hour conversion. The program consists of 1104 clock hours. The conversion for this program is $1104/37.5 = 29$ total financial aid hours.

The student was enrolled in 16 credit hours during the fall 2012 semester (21 contact hours per week x 16 weeks = 336 contact hours). The conversion for 336 contact hours is $336/37.5 = 8.98$ financial aid hours. The student was paid a $\frac{3}{4}$ Pell payment for the fall 2012 semester (ABTCC rounded up). The student was eligible for a half time Pell payment. The student was over awarded \$500 in Pell funds.

The student was enrolled in five credit hours during the summer 2013 semester (13 contact hours per week x 16 weeks = 208 contact hours). The conversion for 208 contact hours is $208/37.5 = 5.55$ financial aid hours. The student was paid an incorrect Pell amount for less than half time status (\$488). The student was eligible for \$500 and was under awarded by \$12.

In addition, dialogue with ABTCC staff indicated that there was no procedure in place to track total program eligibility for clock to credit hour conversion programs. There was no mechanism in place to prevent a student from receiving Title IV aid for attempted financial aid hours beyond the program's maximum eligibility.

Required Action: Based upon the error rate of this finding, ABTCC must conduct a 100% file review of students who were enrolled in a clock to credit hour conversion program and who received Title IV aid during the 2012-2013 award year (excluding students identified in the Program Review Certificate/Diploma Sample). ABTCC must identify any clock to credit hour conversion calculation errors discovered in the file review and report the outcome to the Department as part of ABTCC's Program Review Report Response. The results of this review must be provided in Excel or a similar spreadsheet format and contain the following fields:

1. Student's Name
2. Student's SSN
3. Student Received Ineligible Title IV Aid (Yes/No)
4. If Yes, Amount of Aid by Program and Term
5. Comments

Please send the file review summary reports (spreadsheets) to Jon Finkelstein by e-mail at jon.finkelstein@ed.gov. See the enclosure – protection of Personally Identifiable Information (PII) for instructions regarding electronic submissions to the Department for data containing PII. Please present a separate e-mail with an access password to Jon Finkelstein.

In its response to this Program Review Report, ABTCC must submit a copy of its revised Awarding and Disbursement Policy for students who are enrolled in GE programs that are subject to clock to credit hour conversion. In addition, affected student unofficial transcripts and program enrollment documentation (Datatel SACP) must be forwarded to the Department for review.

ABTCC will be liable for any additional Title IV, HEA funds owed as a result of ineligible Title IV aid disbursed to students enrolled in GE programs that are subject to clock to credit hour conversion. Payment instructions for any liability associated with this finding will be provided in the Department's Final Program Review Determination Letter.

Finding 2: Ineligible Student – Not Making Satisfactory Academic Progress (SAP)

Citation: 34 C.F.R. § 668.34 states an institution must establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs. The Secretary considers the institution's policy to be reasonable if—

(2) The policy provides for consistent application of standards to all students within categories of students, *e.g.*, full-time, part-time, undergraduate, and graduate students, and educational programs established by the institution;

(3) The policy provides that a student's academic progress is evaluated—

(i) At the end of each payment period if the educational program is either one academic year in length or shorter than an academic year; or

(ii) For all other educational programs, at the end of each payment period or at least annually to correspond with the end of a payment period;

(4)(i) The policy specifies the grade point average (GPA) that a student must achieve at each evaluation, or if a GPA is not an appropriate qualitative measure, a comparable assessment measured against a norm; and

(5)(i) The policy specifies the pace at which a student must progress through his or her educational program to ensure that the student will complete the program within the maximum timeframe, as defined in paragraph (b) of this section, and provides for measurement of the student's progress at each evaluation; and

(ii) An institution calculates the pace at which the student is progressing by dividing the cumulative number of hours the student has successfully completed by the cumulative number of hours the student has attempted. In making this calculation, the institution is not required to include remedial courses;

(6) The policy describes how a student's GPA and pace of completion are affected by course incompletes, withdrawals, or repetitions, or transfers of credit from other institutions. Credit hours from another institution that are accepted toward the student's educational program must count as both attempted and completed hours;

(7) Except as provided in paragraphs (c) and (d) of this section, the policy provides that, at the time of each evaluation, a student who has not achieved the required GPA, or who is not successfully completing his or her educational program at the required pace, is no longer eligible to receive assistance under the title IV, HEA programs;

(8) If the institution places students on financial aid warning, or on financial aid probation, as defined in paragraph (b) of this section, the policy describes these statuses and that—

(i) A student on financial aid warning may continue to receive assistance under the title IV, HEA programs for one payment period despite a determination that the student is not making satisfactory academic progress. Financial aid warning status may be assigned without an appeal or other action by the student; and

(ii) A student on financial aid probation may receive title IV, HEA program funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV, HEA program funds;

(9) If the institution permits a student to appeal a determination by the institution that he or she is not making satisfactory academic progress, the policy describes—

(i) How the student may reestablish his or her eligibility to receive assistance under the title IV, HEA programs;

(ii) The basis on which a student may file an appeal: The death of a relative, an injury or illness of the student, or other special circumstances; and

(iii) Information the student must submit regarding why the student failed to make satisfactory academic progress, and what has changed in the student's situation that will allow the student to demonstrate satisfactory academic progress at the next evaluation;

(11) The policy provides for notification to students of the results of an evaluation that impacts the student's eligibility for title IV, HEA program funds.

(c) *Institutions that evaluate satisfactory academic progress at the end of each payment period.* (1) An institution that evaluates satisfactory academic progress at the end of each payment period and determines that a student is not making progress under its policy may nevertheless disburse title IV, HEA program funds to the student under the provisions of paragraph (c)(2), (c)(3), or (c)(4) of this section.

(2) For the payment period following the payment period in which the student did not make satisfactory academic progress, the institution may—

(i) Place the student on financial aid warning, and disburse title IV, HEA program funds to the student; or

(ii) Place a student directly on financial aid probation, following the procedures outlined in paragraph (d)(2) of this section and disburse title IV, HEA program funds to the student.

(3) For the payment period following a payment period during which a student was on financial aid warning, the institution may place the student on financial aid probation, and disburse title IV, HEA program funds to the student if—

(i) The institution evaluates the student's progress and determines that student did not make satisfactory academic progress during the payment period the student was on financial aid warning;

(ii) The student appeals the determination; and

(iii)(A) The institution determines that the student should be able to meet the institution's satisfactory academic progress standards by the end of the subsequent payment period; or

(B) The institution develops an academic plan for the student that, if followed, will ensure that the student is able to meet the institution's satisfactory academic progress standards by a specific point in time.

(4) A student on financial aid probation for a payment period may not receive title IV, HEA program funds for the subsequent payment period unless the student makes satisfactory academic progress or the institution determines that the student met the requirements specified by the institution in the academic plan for the student.

Noncompliance: ABTCC's Satisfactory Academic Progress Policy states the following.

"According to federal and state regulations, students receiving financial aid must maintain Satisfactory Academic Progress (SAP). The Financial Aid Office at Asheville-Buncombe Technical Community College monitors a student's academic progress as a condition of eligibility when the student applies for financial aid and at the end of each enrollment period (semester). These requirements are applied to a student's entire academic history at A-B Tech, including transfer hours from other schools and including periods when financial aid was not received (e.g. courses taken through A-B Tech in high school). A student is considered to be making satisfactory academic progress when the following three requirements are satisfied:

1. Qualitative Standard (Cumulative Grade Point Average) – A student must maintain a minimum cumulative grade point average of 2.0.

2. Quantitative Standard (Completion Rate) – A student must maintain a minimum cumulative completion rate of 67%.

3. Quantitative Standard (Maximum Timeframe) – A student must successfully complete the program of study within its timeframe. Federal regulations specify that the timeframe may not exceed 150% of the published length of the program. When students exceed the timeframe for their programs of study, they are no longer eligible to receive financial aid. However, students can submit an appeal to the Appeals Committee to have their eligibility extended if there are extenuating circumstances.

Appeal Process: Students who are not meeting the Satisfactory Academic Progress (SAP) policy may appeal for reinstatement of financial aid eligibility. All appeals will be reviewed, approved, and/or denied by the Financial Aid Ad Hoc Appeals Committee. An appeal can only be submitted if a student's failure to make satisfactory academic progress is based upon events beyond their control. Applicable circumstances would include medical issues, death/illnesses, and any other uncontrollable events.

Key points to remember regarding maximum timeframe:

Since the timeframe sets the limit for the number of credit hours a student may attempt and remain eligible to receive financial assistance, it is very important that the student plan class schedules carefully with his or her academic advisor and/ or the Student Services advising staff. It is the responsibility of the student to register only for classes listed in his or her chosen Academic Program in the College catalog and for scheduling only the number of hours he or she is capable of completing. Some students will be required to take developmental courses, which will also be counted as hours attempted. Students are responsible for knowing the policy concerning the limitation on hours attempted for financial aid purposes. Registering for more courses than a student is capable of completing, having to withdraw from classes, registering for courses for which the student has already received credit, taking courses in error, etc. all impact the timeframe and could result in losing financial aid eligibility before completing a program of study.

2. The timeframe is cumulative; therefore, by switching programs without completing the initial program, the student runs the risk of losing financial aid eligibility.
3. The timeframe begins when the student first attends the College and continues until that student successfully completes a program of study regardless of the number of years that may elapse between enrollment periods.
4. Only students who successfully complete a program of study will have attempted and completed credit hours from earning a degree, diploma, or certificate deducted from the maximum timeframe calculation for the next program of study.
5. Students who take course work and are unclassified will have those hours attempted added to their timeframe if and when they enter a specific program of study.
6. Students accepted into a program of study who are required to take developmental course work, as determined by placement testing results and the professional judgment of Student Services, will have the credit hours attempted for such course work count toward their maximum timeframe. (Financial aid can only pay for 30 credit hours of developmental course work).
7. The credit hours for course incompletes, withdrawals, and repetitions will be counted as hours attempted toward the timeframe.
8. Students switching from a degree program to a vocational program who have exceeded the maximum timeframe may submit an appeal to the Appeals Committee for a timeframe extension.
9. Credit hours transferred in from other academic institutions will be counted toward the maximum timeframe of eligibility. Prior degrees earned will be taken into consideration when determining transfer hours."

Two students were identified as not meeting ABTCC's SAP standards. Detailed information regarding each student is provided below.

Student 16: This student graduated with an AAS in Applied Science (Entrepreneurship) on 12/14/2013. This program requires 75 credit hours for completion. The maximum time frame for Title IV purposes for students enrolled in this program is $75 \times 1.5 = 112.5$ credit hours.

The student had a total of 32 credits transferred in from other institutions. At the time of graduation, the student had attempted an additional 91 credit hours at ABTCC. The total attempted hours after the fall 2013 semester was 123.5. The student had attempted a total of 113 credit hours after the conclusion of the spring 2013 semester. The student was no longer eligible for Title IV aid after the spring 2013 semester. The student received \$2,117 in Pell funds, \$2,227 in Subsidized Direct Loan funds and \$792 in Unsubsidized Direct Loan funds for the fall 2013 semester.

Student 19: This student was enrolled in the Associate in Arts program during her enrollment at ABTCC. This program requires 60 credit hours for completion. The student was ineligible due to failure to maintain SAP for maximum time frame and grade point average.

The maximum time frame for Title IV purposes for students enrolled in this program is $60 \times 1.5 = 90$ credit hours. The student had a total of 111 credits transferred in from other institutions. ABTCC's SAP policy states that transfer hours transferred in from other institutions will be counted toward the maximum timeframe eligibility. This student was not eligible for Title IV as of her initial enrollment at ABTCC.

Despite initial ineligibility, the student submitted a SAP appeal on 8/17/2009 that was subsequently approved on 9/16/2009. The stipulations of the approval stated the following -

"To remain eligible for financial aid you must either complete all of your classes with grades of "C" or better or you must be making satisfactory academic progress according to the college policy for students who are eligible for financial aid."

The student received an "F" during the spring 2010 semester and earned a semester grade point average of 1.846. ABTCC's SAP standard for grade point average was 2.0. The student lost eligibility after the spring 2010 semester. The student was not eligible for aid when she resumed enrollment (fall 2013 and spring 2014 semesters). There was no documentation of a second SAP appeal in the student's file. Datatel records indicated a suspended status for fall 2013 with no appeal and a warning status for spring 2014.

The student received \$1,412 in Pell for the fall 2013 semester and \$558.75 in Pell for the spring 2014 semester. The student was not eligible for Title IV funds during the fall 2013 or spring 2014 semesters.

Student 22: This student was enrolled in the Associates in Arts program during the fall 2013 semester. Prior to the fall 2013 semester, the student did not meet the SAP percentage completion requirement. Per discussion with ABTCC staff, the student submitted her FAFSA in September of 2013. The SAP process was run and the student was erroneously placed in a warning status for the fall 2013 semester. The student appealed SAP for the spring 2014 semester and was approved.

The student was not eligible for Title IV funds (\$1,412 Pell) during the fall 2013 semester.

Required Action: Based upon the error rate of this finding, ABTCC must conduct a 100% file review of students who received Title IV aid during the 2013-2014 award year (excluding students identified in the Program Review sample) to identify any additional students who were not meeting SAP standards and received Title IV aid. ABTCC must identify any errors discovered in the file review and report the outcome to the Department as part of ABTCC's Program Review Report Response. The results of this review must be provided in Excel or a similar spreadsheet format and contain the following fields:

1. Student's Name
2. Student's SSN
3. Student Meeting SAP Standards (Yes/No)
4. If No, SAP Appeal Submitted (Yes/No)
5. If Yes, SAP Appeal Approved with Acceptable Mitigating Circumstances (Yes/No)
6. If Student Did Not Meet SAP and/or Did Not Receive an Approved SAP Appeal - Title IV Aid Disbursed by Term and Program
7. Comments

In lieu of performing a file review for the entire population of students, ABTCC has the option of performing this file review for only the remainder of the statistical sample not tested by the Department during the Program Review. The results from this file review using the statistical sample will be used to project liabilities for the entire population (i.e., the average liability for the recipients in the statistical sample will be multiplied by the total population). This option is intended to reduce the burden on the institution of conducting a full file review.

If ABTCC wishes to select this option, the Department will send by e-mail spreadsheets containing the statistical sample for the 2013-2014 award year. A file review must be performed for all students on the statistical sample listing except those included in Appendix A of this Program Review Report for the 2013-2014 award year.

If ABTCC elects to do the full file review, it is recommended that ABTCC first review the remainder of the students in the statistical sample. At that point, ABTCC may decide to accept a liability projection instead of continuing with a full file review.

Please send the file review summary reports (spreadsheets) to Jon Finkelstein by e-mail at jon.finkelstein@ed.gov. See the enclosure – Protection of Personally Identifiable Information (PII) for instructions regarding electronic submissions to the Department for data containing PII. Please present a separate e-mail with an access password to Jon Finkelstein.

ABTCC will be liable for any additional Title IV, HEA funds owed as a result of Title IV aid disbursed to students that were not meeting ABTCC's SAP standards and/or did not provide acceptable mitigating circumstances in their SAP appeal. Payment instructions for any liability associated with this finding will be provided in the Department's Final Program Review Determination Letter.

Finding 3: Exit Counseling Deficiencies

Citation: 34 C.F.R. § 685.304 (b) (1) states a school must ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

(2) The exit counseling must be in person, by audiovisual presentation, or by interactive electronic means. In each case, the school must ensure that an individual with expertise in the title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. As an alternative, in the case of a student borrower enrolled in a correspondence program or a study-abroad program approved for credit at the home institution, the student borrower may be provided with written counseling materials within 30 days after the student borrower completes the program.

(3) If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

Noncompliance: Discussions with ABTCC staff indicated that a prior staff member was responsible for mailing exit counseling materials to students who had graduated or withdrawn without completing the exit counseling requirement. Student files reviewed during the Program Review did not provide evidence of the requirement. There was no indication of completed exit counseling in the Common Origination and Disbursement System (COD), the student's file, or in the history of student communications that were housed in the institution's Datatel system. Exit counseling materials were not provided to this student through interactive electronic means and/or by mailing written counseling materials to the student borrower at the student's last known address within 30 days after the school learned that the student borrower had withdrawn from school or failed to complete the exit counseling as required.

Required Action: Based upon the fact that ABTCC does not follow up with students who withdraw or graduate without completing the exit counseling requirement, the school must conduct a 100% file review for students who borrowed from the Direct Loan program and either graduated or withdrew during the 2012-2013 and 2013-2014 award years (including students identified in Program Review Sample). GNTC must determine if exit counseling was completed and/or if exit counseling materials were mailed to the student's last known address. The results of the file review must be reported to the Department as part of ABTCC's Program Review Report Response.

The results of this review must be provided in Excel or a similar spreadsheet format (separated by award year) and contain the following fields:

1. Student's Name
2. Student's SSN
3. Student Withdrew or Graduated (W,G, N/A)
4. If W or G, Exit Counseling Completed (Yes/No)
5. If No, Exit Counseling Materials Mailed to Last Known Address (Yes/No)
6. Comments

Please send the file review summary reports (spreadsheets) to Jon Finkelstein by e-mail at jon.finkelstein@ed.gov. See the enclosure – protection of Personally Identifiable Information (PII) for instructions regarding electronic submissions to the Department for data containing PII. Please present a separate e-mail with an access password to Jon Finkelstein.

In its response to this Program Review Report, ABTCC must submit a copy of its revised Entrance/Exit Counseling Policies/Procedures document. In addition, ABTCC must submit a copy of each e-mail/letter sent to students who did not complete the exit requirement and was not sent exit counseling materials after the school learned that the student borrower had withdrawn or failed to complete the exit counseling as required.

Finding 4: Title IV Aid Paid for Coursework Not Required for Student's Program of Study

Citation: 34 C.F.R. § 690.63 (a) states programs using standard terms with at least 30 weeks of instructional time. A student's Federal Pell Grant for a payment period is calculated under paragraphs (b) or (d) of this section if—

(i) The student is enrolled in an eligible program that—

(A) Measures progress in credit hours;

(B) Is offered in semesters, trimesters, or quarters; and

(C) Requires the student to enroll for at least 12 credit hours in each term in the award year to qualify as a full-time student; and

(ii) The program uses an academic calendar that provides at least 30 weeks of instructional time in—

The 2012-2013 Federal Student Aid Handbook, Volume 1, pp.14 states if a student is enrolled in courses that do not count toward his degree, they cannot be used to determine enrollment status unless they are eligible remedial courses. This means you cannot award the student aid for classes that do not count toward his/her degree or certificate.

Noncompliance: During the course of the Program Review, two instances of Title IV aid paid for coursework not applicable to the student's degree or certificate program were identified. Student specific information is presented below.

Student 17: This student enrolled in Introduction to New Testament (REL 212) during the fall 2013 semester. The student was enrolled in the Human Services Technology program during the fall 2013 semester. ABTCC confirmed that the student was advised to take REL 212 during her prior enrollment in the Associate of Arts program. The Introduction to New Testament course was not required for the Human Services Technology program. The student was paid a

three quarter Pell payment during the spring 2013 semester (\$2,117). The student was only eligible for a half time Pell payment (\$1,411) and was over awarded \$706.

Student 5 (Certificate/Diploma Sample): This student was enrolled in the Foodservice Technology program for the summer 2013 and fall 2013 semesters. The Foodservice Technology program does not include a math requirement. In the fall 2013 semester, the student was paid a three quarter Pell payment (10 credit hours) in the amount of \$2,117. The student was enrolled in 3 Title IV ineligible remedial mathematics courses during the fall 2013 semester (3 total credit hours). As such, the student was only eligible for Title IV for 7 credit hours (half time). The student should have received \$1,411 in Pell funds. The student was over awarded by \$706 in Pell funds.

Required Action: ABTCC will be liable for any Title IV, HEA funds disbursed to students for coursework that was not required for the program of study. Payment instructions for any liability associated with this finding will be provided in the Department's Final Program Review Determination letter.

In response to this Program Review Report, ABTCC must revise its awarding policy/procedures to ensure that coursework not required for a student's program of study is not used to determine Title IV eligibility. A copy of the revised awarding policy/procedures document must be provided with ABTCC's response to this Program Review Report.

Finding 5: Unofficial Withdrawal Policy/Procedure Missing

Citation: 34 C.F.R. § 668.22 (c) states for purposes of this section, for a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is—

(iii) If the student ceases attendance without providing official notification to the institution of his or her withdrawal in accordance with paragraph (c)(1)(i) or (c)(1)(ii) of this section, the mid-point of the payment period (or period of enrollment, if applicable);

(iv) If the institution determines that a student did not begin the institution's withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to the institution of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

DCL ID: GEN-0403 states an institution must have a procedure for determining whether a Title IV aid recipient who began attendance during a period completed the period or should be treated as a withdrawal. We do not require an institution to use a specific procedure for making this determination.

If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

For a student who unofficially withdrew from an institution that is not required to take attendance, the student's withdrawal date is either the last date of attendance at an academically-related activity or the midpoint of the period (§668.22(c)).

The 2012-2013 Federal Student Aid Handbook, Volume 5, pp. 57 states in some cases, a school may use its policy for awarding or reporting final grades to determine whether a student who failed to earn a passing grade in any of his or her classes completed the period. For example, a school might have an official grading policy that provides instructors with the ability to differentiate between those students who complete the course but failed to achieve the course objectives and those students who did not complete the course. If so, the institution may use its academic policy for awarding final grades to determine that a student who did not receive at least one passing grade nevertheless completed the period. **Another school might require instructors to report, for all students awarded a non-passing grade, the student's last day of attendance (LDA). The school may use this information to determine whether a student who received all "F" grades withdrew.** If one instructor reports that the student attended through the end of the period, then the student is not a withdrawal. In the absence of evidence of a last day of attendance at an academically related activity, a school must consider a student who failed to earn a passing grade in all classes to be an unofficial withdrawal.

Noncompliance: ABTCC is not required to track attendance by its accreditor or state licensing board (non-clock hour programs). ABTCC has an internal policy, however, that requires instructors to track attendance. In addition, ABTCC's grading policy differentiates between students who complete the course and fail to achieve the course objectives (F) and students who did not complete the course (W - official withdrawal or U - unofficial withdrawal). Instructors input last date of attendance data in ABTCC's Datatel system.

The reviewers were able to determine that ABTCC routinely determined whether a student who failed to earn a passing grade in any of his or her classes completed the payment period. Discussions with staff also indicated that instructors often erroneously enter last date of attendance data for students who were assigned an F. For quality control purposes, ABTCC staff has a process to double check student records for those students who received one or more F's with no other passing grades. When it is determined that the F was not earned (last date of attendance was provided), ABTCC staff calculated the R2T4 using the latest last date of attendance (by course) in the payment period.

ABTCC was not able to provide the reviewers with a policy/procedures document to determine whether a student who failed to earn a passing grade in any of his or her classes completed the period.

Required Action: ABTCC must develop a procedures document that provides detailed instructions regarding the process used to determine whether a student who failed to earn a passing grade in any of his or her classes completed the payment period. In addition, ABTCC must develop a policy that informs academic staff of the implications of assigning grades of "F" for students who have a reported last date of attendance prior to end of the term. In response to this Program Review Report, ABTCC must submit the required documentation to the Department for review.

Finding 6: Inaccurate Loan Period

Citation: 34 C.F.R. § 685.102 (b) states the period of enrollment is the period for which a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan is intended. The period of enrollment must coincide with one or more bona fide academic terms established by the school for which institutional charges are generally assessed (e.g., a semester, trimester, or quarter in weeks of instructional time; an academic year; or the length of the program of study in weeks of instructional time). The period of enrollment is also referred to as the loan period.

DCL ID: GEN 13-13 states a Direct Loan's academic year and loan period are reported as follows:

- Academic Year - Schools must populate these tags with the exact beginning and ending dates of the academic year (the period to which the annual loan limit applies), and may need to update these dates based on the student's actual enrollment. A summer term that is treated as header or trailer to a scheduled academic year must not be included in the academic year dates unless the student will actually be receiving a Direct Loan for the summer.

Note that the academic year period for a Direct Loan that a school reports to COD is often not the same as the Title IV academic year that the school has established under the regulations at 34 CFR § 668.3. This is often the case because of scheduled breaks during or between terms, or in clock-hour, non-term, or certain non-standard term credit-hour programs, because the borrower does not progress to the next academic year or payment period as originally scheduled.

- Loan Period - These tags must be populated with the exact dates of the loan period of the loan, and may need to be updated based on the student's actual enrollment.

DCL ID: GEN 13-13 included specific examples of Direct Loan processing scenarios. Example 1 most closely illustrates the loan origination policy/procedure at ABTCC.

Example 1: Borrower Attends for Full Academic Year

Susan enrolls in and attends the fall/spring scheduled academic year. Therefore, the origination record for Susan's loan includes the dates of that scheduled academic year (August 26, 2013 and

May 9, 2014). Schools must not report scheduled academic year dates that include a summer header or a summer trailer unless the student will actually be receiving a Direct Loan for the summer term.

Sandra enrolls for the fall and spring semesters. The school originates a loan with a loan period and academic year that covers the fall and spring semesters. Subsequently, the school determines that Sandra will also be attending for the summer term, which the school treats as a trailer to its scheduled academic year. Sandra has remaining Direct Loan eligibility for the summer under the annual loan limit for the academic year.

The school has two options:

- Option 1: Originate a new loan for the summer term and extend the academic year ending date for the existing fall-spring loan to include the summer term.
- Option 2: Increase the loan amount of the existing fall-spring loan and extend both the loan period and the academic year ending dates to include the summer term.

Option 1: Originating a New Loan

First, the school must update the origination record for the loan that covered the fall and spring semesters to show that the academic year now covers the fall and spring semesters and the summer term. However, under this option, the school does not update the loan period dates for the fall/spring loan.

Next, the school originates the loan for the summer term. Note that the academic year dates reported for the summer-only loan cover the fall and spring semesters, plus the summer trailer, since this is the period to which the annual loan limit applies. Of course, the loan period dates for the summer loan are only the dates of the summer term.

Option 2: Extending the Academic Year and Loan Period for the Existing Loan

In addition to increasing the loan amount, the school must report the entire loan as having both a loan period and an academic year that runs through the end of the summer term.

Noncompliance: In several instances, ABTCC originated Direct Loans that included the summer (trailer term) in the loan period. In each case, the student did not attend the summer term. In each case, the disbursement dates for the loan period were assigned for the fall and spring semesters only.

Student specific information is provided in the table below.

Student Number	Loan Period Reported to (COD)	Scheduled Disbursement Dates	Summer Enrollment – 2014
16	8/14/2013 – 8/1/2014	9/13/2013 - 50% 1/7/2014 - 50%	No
17	8/14/2013 – 8/1/2014	9/13/2013 - 50% 1/7/2014 - 50%	No
27	8/14/2013 -8/1/2014	9/13/2013 - 50% 2/17/2014 - 50%	No
6 Certificate/Diploma Sample	8/14/2013 – 8/1/2014	9/13/2013 – 50% 2/17/2014 – 50%	No
9 Certificate/Diploma Sample	8/14/2013 – 8/1/2014	9/13/2013 – 50% 2/17/2014 – 50%	No
10 Certificate/Diploma Sample	8/14/2013 – 8/1/2014	9/13/2013 – 50% 2/17/14 – 50%	No

Required Action: ABTCC must discontinue the policy/practice of assigning a 12 month loan period for students that have not indicated that they plan to attend the summer semester (trailer). Incorrect loan periods may result in inaccurate calculations of aggregate subsidized loan eligibility (150%). In addition, other institutions may conclude that a student is enrolled for the summer semester and erroneously calculate the student's remaining Title IV eligibility. In response to this Program Review Report, ABTCC must submit a revised Direct Loan origination policy/procedure to the Department that clearly offers a solution to the issue identified in the noncompliance section of this finding.

Finding 7: Enrollment Not Verified Prior to Disbursement

Citation: The 2012-2013 Student Aid Handbook, Volume 4, Chapter 1, pp. 9 states before you awarded funds to a student, you confirmed that he or she was an eligible student and was making satisfactory academic progress (See *Volume 1, Student Eligibility*). However, before disbursing FSA funds, you must determine and document that a student remains eligible to receive them. That is, you must confirm that:

- the student is enrolled in classes for the period
- if the disbursement occurs on or after the first day of classes, that the student has begun attendance

An institution must have a method by which to determine that a student commenced attendance in the educational coursework for which he/she was paid Title IV funds.

Noncompliance: The reviewers noted one instance of failure to verify enrollment prior to disbursement (student 1). Instructors at ABTCC monitor attendance during the beginning of a term and report students that do not show up for class to the Registrar's Office. This process is typically completed prior to the date of disbursement of Title IV funds. In cases where the reporting is done late, Title IV disbursements are erroneously posted to student accounts for students who are not in attendance. Additionally, ABTCC offers a number of modules throughout a standard semester. Pell and Direct Loan disbursements are scheduled according to accumulated credit hours.

Student 1: This student was registered for a total of nine credit hours during the fall 2012 semester. Five credit hours were courses scheduled for the entire fall semester (8/20/12 – 12/15/12). Four credit hours were courses scheduled as modules. The latest module course was a 3 credit hour course that was scheduled to begin on 10/17/12 and end on 12/15/12. This class resulted in the student registering for a total of 9 enrolled credit hours, thereby making the student eligible for a three quarter Pell payment. The Pell payment was credited to the student's account on 10/24/12 (\$694). The instructor reported the student as a no show after the disbursement date. As a result, the Pell payment was subsequently reversed on 11/7/12. The instructor's late reporting of the no show resulted in an ineligible disbursement. A credit balance was issued on 10/24/12 that included Pell funds that were not earned.

Required Action: ABTCC has a policy that requires instructors to report students who are no shows or who withdraw during the first week of a semester/module. Late reporting may result in Title IV disbursements that are erroneously posted to student accounts. ABTCC must develop and/or update its Disbursement Procedures to ensure that student enrollment is verified at the time of disbursement. In response to this Program Review Report, ABTCC must submit a Disbursement Policy/Procedure document to the Department that provides a clear and accountable strategy to prevent future instances of this finding.

Finding 8: Failure to Award Full Direct Loan Eligibility

Citation: 34 C.F.R. § 685.200 (a) states a student is eligible to receive a Federal Direct Subsidized Loan, a Federal Direct Unsubsidized Loan, or a combination of these loans, if the student meets the following requirements:

(i) The student is enrolled, or accepted for enrollment, on at least a half-time basis in a school that participates in the Federal Direct Loan Program.

(ii) The student meets the requirements for an eligible student under 34 CFR part 668.

(iii) In the case of an undergraduate student who seeks a Federal Direct Subsidized Loan or a Federal Direct Unsubsidized Loan at a school that participates in the Federal Pell Grant

Program, the student has received a determination of Federal Pell Grant eligibility for the period of enrollment for which the loan is sought.

34 C.F.R. § 685.301 (a) (8) states a school may refuse to originate a Federal Direct Subsidized, Federal Direct Unsubsidized, or Direct PLUS Loan or may reduce the borrower's determination of need for the loan if the reason for that action is documented and provided to the borrower in writing, and if—

- (i) The determination is made on a case-by-case basis;
- (ii) The documentation supporting the determination is retained in the student's file; and
- (iii) The school does not engage in any pattern or practice that results in a denial of a borrower's access to Federal Direct Loans because of the borrower's race, gender, color, religion, national origin, age, disability status, or income.

The 2014 Electronic Announcement posted on March 18, 2014 entitled Application Process for Federal Student Aid states that The Free Application for Federal Student Aid (FAFSA) is the only form that a student is required to complete to be considered for student assistance from any of the Title IV, HEA programs. No additional application or other request for information can be required by an institution in support of the student's request for Title IV, HEA program assistance, except for information needed to ensure the student's eligibility for such assistance (e.g., information needed to complete verification or to demonstrate compliance with the student eligibility provisions of the HEA and the regulations).

While institutions and states may require other applications or additional information for the administration of their non-Title IV programs, they cannot require such information for the determination of a student's eligibility for Title IV, HEA student assistance. Thus, it must be clear in all of an institution's printed and electronic materials that no other application or information is required for consideration by the institution of the student's eligibility for assistance under the Title IV, HEA programs.

To ensure compliance with the above, we urge institutions to perform a thorough review of all of their financial aid information, as well as admissions, registration, and other general or promotional materials. Institutions should be sure to examine materials, including web sites that have been developed by offices other than the financial aid office (e.g., outreach, admissions, public affairs, academic departments).

Schools are not precluded from counseling students on the differences between subsidized loans and unsubsidized loans, and emphasizing that students should borrow Federal Direct Unsubsidized Loans only if they have exhausted all non-loan options for financing their education.

Noncompliance: ABTCC had an internal policy that required students to complete a Direct Loan Request and Budget Worksheet to be awarded Direct Loans.¹ A student is eligible for a Federal Direct Loan once he/she meets the eligibility requirements. Reduction and cancellation of a loan must be administered through appropriate notifications. Consumer information regarding default, anticipated monthly payments, NSLDS account information, etc., can be distributed by the school at its discretion.

Required Action: ABTCC must discontinue the practice of requiring students to complete a supplementary Direct Loan Request and Budget Worksheet in order to be awarded a Federal Direct Loan. ABTCC must submit a revised Awarding Policy/Procedures document to the Department that addresses the issues described in the noncompliance section of this finding.

Finding 9: Pell Awards Not Based on the Payment and Disbursement Schedules Published by the Secretary

Citation: 34 C.F.R. § 690.62 (a) states the amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year.

34 C.F.R. § 690.63 (b) states the Federal Pell Grant for a payment period, *i.e.*, an academic term, for a student in a program using standard terms with at least 30 weeks of instructional time in two semesters or trimesters or in three quarters as described in paragraph (a)(1)(ii)(A) of this section, is calculated by—

- (1) Determining his or her enrollment status for the term;
- (2) Based upon that enrollment status, determining his or her annual award from the Payment Schedule for full-time students or the Disbursement Schedule for three-quarter-time, half-time, or less-than-half-time students; and
- (3) Dividing the amount described under paragraph (b)(2) of this section by—
 - (i) Two at institutions using semesters or trimesters or three at institutions using quarters; or
 - (ii) The number of terms over which the institution chooses to distribute the student's annual award if—
 - (A) An institution chooses to distribute all of the student's annual award determined under paragraph (b)(2) of this section over more than two terms at institutions using semesters or trimesters or more than three quarters at institutions using quarters; and

¹ The Direct Loan Request and Budget Worksheet is a supplementary form that was developed by ABTCC for students interested in borrowing Direct Loans. This form is not a Department approved form.

(B) The number of weeks of instructional time in the terms, including the additional term or terms, equals the weeks of instructional time in the program's academic year.

Noncompliance: In 5 instances, ABTCC did not follow the Pell disbursement schedule for students enrolled less than half time. In each instance, ABTCC adjusted the subsequent disbursement to reach the correct annual award. In reviewing the 2012-2013 Pell disbursement schedules, the amount awarded for less than half time (\$682) does not appear. Detailed information regarding each affected student is presented in the table below.

Student Number	Pell Disbursements – Term/Amount	Pell Disbursements per Disbursement Schedule
1	Fall 2012 - \$ 682 Fall 2012 - \$ 706	\$ 694 \$ 694
5	Fall 2012 - \$ 682 Fall 2012 - \$2,093	\$ 694 \$2,081
6	Spring 2013 - \$ 682 Spring 2013 - \$ 706	\$ 694 \$ 694
2 - Diploma/Certificate Sample	Summer 2013 - \$682	\$ 694
5 – Diploma/Certificate Sample	Summer 2013 - \$682 Spring 2014 - \$682	\$ 694 \$ 706

Required Action: ABTCC must follow the Department's Pell Disbursement Schedule when awarding and disbursing Pell funds for students enrolled less than half time. In response to this program Review Report, ABTCC must revise its Pell Awarding Procedures and submit a copy of the revised document for review.

Finding 10: Return to Title IV (R2T4) Calculation Errors

Citation: 34 C.F.R. § 668.22 (a) states when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date.

34 C.F.R. § 668.22 (c) states for purposes of this section, for a student who ceases attendance at an institution that is not required to take attendance, the student's withdrawal date is—

(i) The date, as determined by the institution, that the student began the withdrawal process prescribed by the institution;

(ii) The date, as determined by the institution, that the student otherwise provided official notification to the institution, in writing or orally, of his or her intent to withdraw;

(iii) If the student ceases attendance without providing official notification to the institution of his or her withdrawal in accordance with paragraph (c)(1)(i) or (c)(1)(ii) of this section, the mid-point of the payment period (or period of enrollment, if applicable);

(iv) If the institution determines that a student did not begin the institution's withdrawal process or otherwise provide official notification (including notice from an individual acting on the student's behalf) to the institution of his or her intent to withdraw because of illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the date that the institution determines is related to that circumstance.

34 C.F.R. § 668.22 (e)(2) states the percentage of Title IV grant or loan assistance that has been earned by the student is equal to the percentage of the payment period or period of enrollment that the student completed as of the student's withdrawal date.

34 C.F.R. § 668.22 (g) states that the institution must return, in the order specified in paragraph (i) of this section, the lesser of—

(i) The total amount of unearned title IV assistance to be returned as calculated under paragraph (e)(4) of this section; or

(ii) An amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of title IV grant or loan assistance that has not been earned by the student, as described in paragraph (e)(3) of this section.

(2) For purposes of this section, "institutional charges" are tuition, fees, room and board (if the student contracts with the institution for the room and board) and other **educationally-related expenses** assessed by the institution.

Noncompliance: During the course of the review, 1 instance of an incorrect R2T4 calculation was noted (student 1). ABTCC included a \$5 parking fee in the institutional charges section of the R2T4 calculation. A parking charges is not educationally related expense and should not have been included in the institutional charges section of the R2T4 calculation.

Required Action: ABTCC must not include non-educationally-related charges in the institutional charges section of the R2T4 calculation. Inclusion of non-educationally related charges will inflate the institutional charge amount and result in excess funds being returned to the Department.

ABTCC must revise its R2T4 Policy/Procedures document to include a clear and accountable strategy to prevent future instances of this finding. The Policy/Procedures documents should include a clear explanation of the consequences of including unqualified charges in the institutional charges section of the R2T4 calculation worksheet. In response to this Program Review Report, ABTCC must submit a revised R2T4 Policy/Procedures document to the Department.

Finding 11: Verification Violations

Citation: 34 C.F.R. § 668.16 (f)(2) states that to begin to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering the program under each of the standards established in this section. The Secretary considers an institution to have administrative capability if the institution develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. In determining whether the institution's system is adequate, the Secretary considers whether the institution obtains and reviews any documents, including any copies of State and Federal income tax returns that are normally collected by the institution to verify information received from the student or other sources.

The 2013-2014 Application and Verification Guide, Chapter 4, page 76-77 states the following –
Verification Tracking Groups

Students who are selected for verification will be placed in one of the five *Verification tracking groups*. The group determines which FAFSA information must be verified for the student.

Standard Verification Group. Tracking flag V1. Students in this group must verify the following if they are tax filers:

- adjusted gross income
- U.S. income tax paid
- untaxed portions of IRA distributions
- untaxed portions of pensions
- IRA deductions and payments
- tax-exempt interest income
- education credits
- household size
- number in college
- Supplemental Nutrition Assistance Program (SNAP) benefits
- child support paid

Noncompliance: During the course of the review, two students were identified with a verification violation. The specific issue is outlined below.

Student 21: The student (independent) was selected for verification by the Central Processing System (CPS) with a verification tracking flag of V1. The student's IRS Request Flag was 01 (ineligible to use IRS Data Retrieval Tool). The Free Application for Federal Student Aid (FAFSA) information required to be verified for a student (independent) with a verification tracking flag of V1 includes the Education Credits. The 2013-2014 Institutional Student Information record (ISIR) shows an Education Credit amount of \$0. The 2012 student tax return

transcript shows an Education Credit of \$211. The ISIR was not corrected to reflect the correct student Education Credit (\$221).

Student 24: The student (dependent) was selected for verification by CPS with a verification tracking flag of V1. The student and parent IRS Request Flag was 00 (ineligible to use IRS Data Retrieval Tool). The Free Application for Federal Student Aid (FAFSA) information required to be verified for student (dependent) with a verification tracking flag of V1 includes the Education Credit. The 2013-2014 Institutional Student Information record (ISIR) shows an Education Credit amount of \$0. The 2012 parent tax return transcript shows an Education Credit of \$1,500. The ISIR was not corrected to reflect the correct parent Education Credit (\$1,500).

Required Action: The institution must adjust its Verification Policy/Procedures to prevent the reoccurrence of similar violations. Discrepant data must be identified and corrected in the verification process. Continued violations may result in incorrect student aid determinations that could prove harmful to the student and/or the Department. In its response to this Program Review Report, ABTCC must submit a copy of its revised Verification Policies/ Procedures document.

Finding 12: Verification Policy Inadequate

Citation: 34 C.F.R. § 668.53 states an institution must establish and use written policies and procedures for verifying an applicant's FAFSA information in accordance with the provisions of this subpart. These policies and procedures must include—

(1) The time period within which an applicant must provide any documentation requested by the institution in accordance with §668.57;

(2) The consequences of an applicant's failure to provide the requested documentation within the specified time period;

(3) The method by which the institution notifies an applicant of the results of its verification if, as a result of verification, the applicant's EFC changes and results in a change in the amount of the applicant's assistance under the title IV, HEA programs;

(4) The procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and

(5) The procedures for making referrals under §668.16(g).

(b) An institution's procedures must provide that it will furnish, in a timely manner, to each applicant whose FAFSA information is selected for verification a clear explanation of—

(1) The documentation needed to satisfy the verification requirements; and

(2) The applicant's responsibilities with respect to the verification of FAFSA information, including the deadlines for completing any actions required under this subpart and the consequences of failing to complete any required action.

(c) An institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC.

Noncompliance: ABTCC has an internal Verification Policy for administrative staff. The only information made available to students regarding verification is found under the frequently asked questions section of the financial aid homepage. The text of this section states –

What is verification?

Students are often selected for a process called *verification*. The process provides a consistently methodical means of verifying a student's eligibility based on their completion of the Federal Application for Free Student Aid (FAFSA), and ensures that students are awarded in accordance with federal regulations governing the appropriate disbursement of eligible funds. Students applying for financial aid are selected for verification either by the U.S. Department of Education or by the academic institution. If your application is selected, you will receive an email from the Financial Aid Office at A-B Tech to your student email account requesting additional documentation. You will need to provide this information to the Financial Aid Office as soon as possible so that we can determine your eligibility for financial assistance. Your application will not be processed further until the requested verification documentation has been received. Once this information is received and processed, the Financial Aid Office will award all aid that the student is eligible to receive.

ABTCC's Verification Policy/Procedure does not adequately cover the following sections discussed in the citation section of this finding.

(1) The time period within which an applicant must provide any documentation requested by the institution in accordance with §668.57;

(3) The method by which the institution notifies an applicant of the results of its verification if, as a result of verification, the applicant's EFC changes and results in a change in the amount of the applicant's assistance under the title IV, HEA programs;

(4) The procedures the institution will follow itself or the procedures the institution will require an applicant to follow to correct FAFSA information determined to be in error; and

(5) The procedures for making referrals under §668.16(g).

(c) An institution's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the institution exercises any authority under section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC.

Required Action: ABTCC must update its Verification Policy/Procedures to include the components mentioned in the noncompliance section of this finding. The required consumer information must be easily accessible to interested parties. In response to this Program Review Report, ABTCC must submit a revised Verification Policy and Procedures document to the Department for review.

Finding 13: R2T4 Policy Inadequate

Citation: 34 C.F.R. § 668.43 (a) states institutional information that must be made readily available to enrolled and prospective students under this subpart includes, but is not limited to—

(4) A summary of the requirements under §668.22 for the return of title IV grant or loan assistance;

34 C.F.R. § 668.22 (g) states that the institution must return, in the order specified in paragraph (i) of this section, the lesser of—

(i) The total amount of unearned title IV assistance to be returned as calculated under paragraph (e)(4) of this section; or

(ii) An amount equal to the total institutional charges incurred by the student for the payment period or period of enrollment multiplied by the percentage of title IV grant or loan assistance that has not been earned by the student, as described in paragraph (e)(3) of this section.

34 C.F.R. § 668 (j) (1) states an institution must return the amount of title IV funds for which it is responsible under paragraph (g) of this section as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew as defined in paragraph (l)(3) of this section. The timeframe for returning funds is further described in §668.173(b).

The 2012-2013 Federal Student Aid Handbook, Volume 5, Chapter 1, pp.6 states, a school should provide sufficient information for a student or prospective student to be able to determine the procedures for withdrawing and the financial consequences of doing so. In addition, a student should be able to estimate how much Federal Student Aid he or she will retain, and how much he or she may have to return upon withdrawing. Because the Return provisions do not affect institutional refund policies, a school must provide a student with information on both the school's refund policy and the Federal Return requirements, and explain the interaction between the two. The information should include a discussion of how a school might adjust a student's charges to take into account any return of FSA funds the school might be required to make. Finally, a student or prospective student should be informed that if he or she withdraws, school

charges that were previously paid by FSA funds might become a debit that the student will be responsible for paying.

Noncompliance: ABTCC has a section in its catalog entitled “Federal Return of Title IV Funds Policy; Financial Aid for Students who Withdraw or Drop Out.” ABTCC also has an internal Return to Title IV Policy. The reviewers determined that ABTCC’s current R2T4 Policy does not satisfy all of the required components.

ABTCC’s R2T4 policy did not adequately address the following:

- Provide an estimate of the amount of aid the student may earn and an estimate of the amount the student may have to return. The current policy provides a narrative using percentages of earned and unearned aid. An example using student specific data would provide a clearer and more concise estimate.
- Adequately explain the interaction and distinction between ABTCC’s institutional refund policy and R2T4 policy.

Required Action: ABTCC must revise its R2T4 policy. The policy must adequately address each of the requirements outlined in the noncompliance section of this finding. In its response to this Program Review Report, ABTCC must submit a revised written R2T4 Policy to the Department.

Finding 14: Drug and Alcohol Abuse Prevention Program Requirements Not Met – Multiple Violations

Citation: The Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department’s General Administrative Regulations require each institution of higher education (IHE) to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use, and distribution of drugs and alcohol on campus and at recognized events and activities.

The DAAPP disclosure must include all of the following elements:

- A written statement about an institution’s standards of conduct that prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by students and employees;
- A written description of legal sanctions imposed under federal, state, and local laws and ordinances for unlawful possession or distribution of illicit drugs and alcohol;
- A description of the health risks associated with the use of illicit drugs and alcohol abuse;
- A description of any drug or alcohol counseling, treatment, and rehabilitation/re-entry programs that are available to students and employees; and,

- A statement that the IHE will impose disciplinary sanctions on students and employees for violations of the institution's codes of conduct and a description of such sanctions.

The DAAPP disclosure must be actively distributed to all employees and students enrolled for academic credit (except for continuing education credits) on an annual basis. The distribution plan must make provisions for providing the DAAPP disclosure annually to students who enroll at a date after the initial distribution and for employees who are hired at different points throughout the year.

In addition, each IHE must conduct a biennial review to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. The IHE must also produce a report of findings, maintain its supporting materials, and provide them to the Department upon request. *34 C.F.R. §§ 86.3 and 86.100.*

Noncompliance: ABTCC violated multiple provisions of the *DFSCA*. First, the College failed to implement a comprehensive DAAPP. Specifically, ABTCC's program information did not include the following required components:

- a description of the applicable legal sanctions under local, state, or federal law for the illegal possession or distribution of illicit drugs and/or the abuse of alcohol;
- a description of the health risks associated with the use of illicit drugs and the abuse of alcohol; and,
- A description of any drug or alcohol counseling, treatment, rehabilitation, and re-entry programs that are available to students and employees.

The review team identified these deficiencies based on a detailed examination of several ABTCC publications including the College's 2013-2014 Student Handbook and Calendar, the Code of Student Conduct, and the Drug and Alcohol-Free Workplace Policy. Although some drug and alcohol policy information was found in each of these publications, none of these documents included a materially-complete DAAPP that met Federal requirements. In addition, the College was not unable to demonstrate compliance with the requirement to actively distribute DAAPP program information on an annual basis to all enrolled students and current employees nor does ABTCC have a policy for ensuring such distribution.

Furthermore, ABTCC failed to conduct a biennial review to: 1) assess the effectiveness of the College's drug and alcohol programs; 2) evaluate the consistency of sanctions imposed for drug and alcohol violations under its codes of conduct; and, 3) identify areas requiring improvement or modification. As a result, ABTCC also failed to produce a biennial review report and supporting documentation.

Based on these violations, the Department's review indicates that ABTCC has persistently failed to comply with the *DFSCA* during its participation in the Title IV, FSA programs.

Failure to comply with the *DFSCA*'s DAAPP requirements deprives students and employees of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse as well as an increase in drug and alcohol-related violent crime at ABTCC.

Required Action: As a result of these violations, ABTCC is required to take all necessary corrective actions to address the violation identified above and all others identified during the preparation of the College's response to this program review report. At a minimum, ABTCC must take the following specific actions:

- Develop and implement a comprehensive DAAPP that includes all of the required elements found in the *DFSCA* and the Department's Part 86 regulations and publish a materially-complete disclosure that summarizes the program;
- Develop procedures to ensure that the DAAPP disclosure is distributed on an annual basis to every current student who is enrolled for academic credit as well as every employee. Once the new DAAPP disclosure and distribution policy are finalized, ABTCC must distribute program information in accordance with Federal requirements and its new policy. As part of its response to the program review report, the College must provide documentation evidencing the distribution as well as a certification statement attesting to the fact that the materials were distributed in accordance with the *DFSCA*. This certification statement must also affirm that ABTCC understands its *DFSCA* obligations and that it has taken all necessary corrective actions to ensure that these violations do not recur;
- Conduct a biennial review to measure the effectiveness of ABTCC's enhanced DAAPP. The biennial review report must describe the research methods and data analysis tools that were used to determine the effectiveness of the program. In addition, the report must identify the responsible official(s) who conducted the review. Finally, the report must be presented to and approved by the College's President and/or its Board;
- Submit copies of the two most-recent biennial review reports that ABTCC has produced (if any) with its official response. If no such reports were ever produced, that fact must be stated clearly in the response. In this context, College officials are advised that no new documents are to be created for the purpose of demonstrating compliance with the biennial review report requirement for past periods; and,
- Establish policies and procedures to ensure that all subsequent biennial reviews are conducted in a timely manner and are fully documented. A copy of these policies and procedures must also accompany the College's submission of its biennial review report.

As noted above, the exceptions identified in this finding constitute very serious and persistent violations of the *DFSCA* that by their nature cannot be cured. ABTCC will be given an opportunity to take remedial action and in doing so, finally begin to bring its drug and alcohol programs into compliance with the *DFSCA* as required by its Program Participation Agreement. Nevertheless, ABTCC is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

Based on an evaluation of all available information including ABTCC's response, the Department will determine if additional actions will be required and will advise the College accordingly in the FPRD.

Finding 15: Missing Policy/Procedure for Reviewing Subsequent Institutional Student Information Records (ISIR) after Packaging

Citation: 34 C.F.R. § 668.16 states to begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution-

(4) Has written procedures for or written information indicating the responsibilities of the various offices with respect to the approval, disbursement, and delivery of Title IV, HEA program assistance and the preparation and submission of reports to the Secretary.

(f) Develops and applies an adequate system to identify and resolve discrepancies in the information that the institution receives from different sources with respect to a student's application for financial aid under Title IV, HEA programs. In determining whether the institution's system is adequate, the Secretary considers whether the institution obtains and reviews—

(1) All student aid applications, need analysis documents, Statements of Educational Purpose, Statements of Registration Status, and eligibility notification documents presented by or on behalf of each applicant.

The 2013-2014 Student Aid Handbook, Application and Verification Guide, Chapter 5, page 117 states you are generally required to review all subsequent transactions for a student for the entire processing year even if you verified an earlier transaction. First determine if the EFC or the "C" flag has changed or if there are new comments or NSLDS information that impacts eligibility for aid. Also, check any updates or corrections. If the EFC has not changed and there are no changes in the "C" flag or NSLDS information, no action is generally required. If the EFC does change but it either doesn't affect the amount and type of aid received or the data elements that changed were already verified, no action is required. But if the EFC changes and the pertinent data elements were not verified, then you must investigate. Of course, any time the "C" flag changes or NSLDS data have been modified, you must resolve any conflicts.

Noncompliance: ABTCC staff indicated that ISIRs received after awarding are routinely reviewed to determine if a student's eligibility had changed as a result of the subsequent ISIR. Responsible staff was not able to provide the reviewers with a policy/procedures document that outlined the process of reviewing subsequent ISIRs.

Required Action: ABTCC must develop a subsequent ISIR Policy/Procedures document that addresses the issue discussed in the noncompliance section of this finding. In response to this Program Review Report, ABTCC must submit the Subsequent ISIR Policy/Procedures document to the Department for review.

Finding 16: Excess Cash Balance Maintained

Citation: 34 C.F.R. § 668.166 states the Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan Program funds, that an institution does not disburse to students or parents by the end of the third business day following the date the institution—

(i) Received those funds from the Secretary; or

(ii) Deposited or transferred to its Federal account previously disbursed title IV, HEA program funds received from the Secretary, such as those resulting from award adjustments, recoveries, or cancellations.

(2) The provisions of this section do not apply to the title IV, HEA program funds that an institution receives from the Secretary under the just-in-time payment method.

(b) *Excess cash tolerances.* An institution may maintain for up to seven days an amount of excess cash that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Secretary any amount of excess cash over the one-percent tolerance and any amount remaining in its account after the seven-day tolerance period.

(c) *Consequences for maintaining excess cash.* Upon a finding that an institution maintains excess cash for any amount or timeframe over that allowed in the tolerance provisions in paragraph (b) of this section, the actions the Secretary may take include, but are not limited to—

(1) Requiring the institution to reimburse the Secretary for the costs the Secretary incurred in providing that excess cash to the institution; and

(2) Providing funds to the institution under the reimbursement payment method or cash monitoring payment method described in §668.163(d) and (e), respectively.

Noncompliance: Research conducted prior to the Program Review revealed that ABTCC had an excess cash balance of \$27,358 in the Direct Loan Program as of 5/27/2014 (2013-2014)

award year). The lead reviewer discussed the condition with responsible staff. The institution was not able to provide the reviewer with documentation verifying the source(s) of unsubstantiated cash.

Required Action: ABTCC must continue to investigate the circumstances that lead to the 2013-2014 excess Direct Loan cash balance. In response to this Program Review Report, ABTCC must provide the Department with a detailed accounting of the excess cash balance (\$27,358 as of 5/27/2014). Continued unsubstantiated cash violations may result in reimbursement to the Secretary for the costs incurred in providing excess cash to the institution.

Finding 17: No Provision to Opt Out of Pell Book Voucher

Citation: 34 C.F.R. § 668.164 (i) states an institution must provide a way for a Federal Pell Grant eligible student to obtain or purchase, by the seventh day of a payment period, the books and supplies required for the payment period if, 10 days before the beginning of the payment period—

(i) The institution could disburse the title IV, HEA program funds for which the student is eligible; and

(ii) Presuming the funds were disbursed, the student would have a credit balance under paragraph (e) of this section.

(2) The amount the institution provides to the Federal Pell Grant eligible student to obtain or purchase books and supplies is the lesser of the presumed credit balance under this paragraph or the amount needed by the student, as determined by the institution.

(3) The institution must have a policy under which a Federal Pell Grant eligible student may opt out of the way the institution provides for the student to obtain or purchase books and supplies under this paragraph.

(4) If a Federal Pell Grant eligible student uses the way provided by the institution to obtain or purchase books and supplies under this paragraph, the student is considered to have authorized the use of title IV, HEA funds and the institution does not need to obtain a written authorization under paragraph (d)(1)(iv) of this section and §668.165(b) for this purpose.

The 2013-2014 Federal Student Aid Handbook, Volume 4, Chapter 2, pp. 48, states a student may decline to participate (opt out) in the way a school provides for obtaining books and supplies. For instance, if a school provides a bookstore voucher, the student may opt out by not using the voucher. If the school provides the funds using a stored-value or prepaid debit card, the school must have a procedure through which the student may opt out. For example, a school may require a student to notify the school by a certain date so that the school does not unnecessarily issue a check to the student or transfer funds to the student's bank account. If the student opts out, the school may, but is not required to, offer the student another way to purchase

books and supplies as long as it does not otherwise delay providing funds to the student as a credit balance.

A school is required to provide, in its financial aid information and in its notifications provided to students receiving FSA funds, information on the way the school provides for Federal Pell Grant eligible students to purchase required books and supplies by the seventh day of a payment period under certain conditions and how the student may opt out. The information must indicate whether the school will enter a charge on the student's account at the school for books and supplies or pay funds to the student directly. Also, during the aid counseling process, the school must explain to a student who qualifies for the funds advanced to purchase books and supplies how the method is handled at the school and how a student may opt out.

Noncompliance: ABTCC publishes a financial aid calendar on its website. The snapshot of the website includes the following information.

2013-2014 Financial Aid Calendar
Summer Semester 2014

May 19 - Students may begin charging in the college bookstore. Students must have their class schedule with them in order to make purchases in the college bookstore.

May 28 - Last day to drop for a partial refund. (Full Semester Class)

June 6 - Last day for Financial Aid Recipients to charge books and supplies at the college bookstore in the K Ray Bailey Building. No returns will be allowed in the college bookstore without the original receipt.

The consumer information does not inform the student that they may opt out of charging books and supplies to their student accounts.

Required Action: ABTCC must enhance its consumer information to clearly advise students of the provision for Pell eligible students to purchase books and supplies up to seven days after the start of a payment period. In addition, ABTCC must revise its consumer information to include information regarding a student's option to opt out of charging books and supplies to their student account. In response to this Program Review Report, ABTCC must submit revised consumer information to the Department for review.

Finding 18: Late Credit of Title IV Funds

Citation: 34 C.F.R. § 668.164 (h) states notwithstanding any State law (such as a law that allows funds to escheat to the State), an institution must return to the Secretary, lender, or guaranty agency, any title IV, HEA program funds, except Federal Work Study (FWS) program funds, that it attempts to disburse directly to a student or parent but the student or parent does not

receive or negotiate those funds. For FWS program funds, the institution is required to return only the Federal portion of the payroll disbursement.

The 2012-2013 Federal Student Aid Handbook, Volume 4, Chapter 4, page 67-68 states:

There are a number of reasons why a school may have to return funds to the Department, including --

- the return of FSA funds required when a school must correct an over award or an overpayment, and the return of funds required when a student withdraws or otherwise ceases attendance during a payment period or period of enrollment (the return of funds when a student withdraws or otherwise ceases attendance is discussed in *Volume 5*);

For funds obtained from the Department, a school meets the Return requirement if it deposits or transfers the funds into its federal account no later than **45** days after the school determined that a student withdrew or received an overpayment the school was responsible for returning. (Also see *Volume 5*.)

Noncompliance: During the fiscal review process, the reviewer requested documentation concerning a late return of Pell funds for the 2012-2013 award year (\$4,700 on 12/28/2013). ABTCC disclosed that the return was a result of a Pell Potential Overpayment (POP) with another school. The documentation indicated that the school made the determination to return the funds on 9/17/2013. ABTCC did not return the funds within 45 days of its determination that the student received a Pell overpayment.

Required Action: ABTCC must return funds promptly after determining that a student received an overpayment. Late returns may result in an undue hardship to the Department. In response to this Program Review Report, ABTCC must develop or revise its Title IV Return Policy/procedure to address the issue described in the noncompliance section of this finding. The policy/procedure document must be submitted to the Department for review.

Finding 19: Consumer Information Requirements Not Met

Citation: 34 C.F.R. § 668.42 states information on financial assistance that the institution must publish and make readily available to current and prospective students under this subpart includes, but is not limited to, a description of all the Federal, State, local, private and institutional student financial assistance programs available to students who enroll at that institution.

(4) The terms of any loan received by a student as part of the student's financial assistance package, a **sample loan repayment schedule for sample loans** and the necessity for repaying loans;

34 C.F.R. § 668.43 (a) states (a) Institutional information that the institution must make readily available to enrolled and prospective students under this subpart includes, but is not limited to—

(8) The titles of persons designated under §668.44 and information regarding how and where those persons may be contacted.

(9) A statement that a student's enrollment in a program of study abroad approved for credit by the home institution may be considered enrollment at the home institution for the purpose of applying for assistance under the title IV, HEA programs;

(10) Institutional policies and sanctions related to copyright infringement, including—

(i) A statement that explicitly informs its students that unauthorized distribution of copyrighted material, including unauthorized peer-to-peer file sharing, may subject the students to civil and criminal liabilities;

(ii) A summary of the penalties for violation of Federal copyright laws;

(iii) A description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions that are taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the institution's information technology system.

C.F.R. § 668.46 (g) states an institution must include a statement of policy regarding its emergency response and evacuation procedures in the annual security report. This statement must include—

(5) The institution's procedures for disseminating emergency information to the larger community; and

(6) The institution's procedures to test the emergency response and evacuation procedures on at least an annual basis, including—

(i) Tests that may be announced or unannounced;

(ii) Publicizing its emergency response and evacuation procedures in conjunction with at least one test per calendar year; and

(iii) Documenting, for each test, a description of the exercise, the date, time, and whether it was announced or unannounced.

Noncompliance: ABTCC's consumer information did not include the required components discussed in the citation portion of this section.

Required Action: ABTCC must make provisions to satisfy each of the missing requirements mentioned in the citation section of this finding. In response to this Program Review Report, ABTCC must submit revised internal documents/screen shots reflecting the necessary corrections or additions.

Finding 20: Crime Awareness Requirements Not Met – Campus Security Policies Inadequate

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the *Clery Act*) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4)

The *Clery Act* and the Department's regulations require institutions to include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1). When applicable, an institution must also compile and publish crime statistic disclosures for each of its campuses. 34 C.F.R. § 668.41 (e)(4)

Several policy statements must be included in the ASR. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies

that govern the preparation of the report itself. Institutions are required to disclose alcohol and drug policies and educational programs, as well as policies pertaining to sexual assault education, prevention, and adjudication. Institutions must also provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR. With the exception of certain drug and alcohol program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's (OPE) "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

Noncompliance: ABTCC failed to publish and distribute an accurate and complete ASR. Specifically, the College's ASR did not include the following required disclosures:

An institution must report, by category of prejudice, the following crimes reported to local police agencies or to a campus security authority that manifest evidence that the victim was intentionally selected because of the victim's actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability:

- (i) Any crime it reports pursuant to paragraph (c)(1)(i) through (vii) of this section.
- (ii) The crimes of larceny-theft, simple assault, intimidation, and destruction/damage/vandalism of property.
- (iii) Any other crime involving bodily injury.

An institution must include policy statements regarding its emergency response and evacuation procedures in the Annual Security Report. The following are statements that must be included:

(i) The institution's procedures to test the emergency response and evacuation procedures on at least an annual basis, including—

- (a) Tests that may be announced or unannounced;
- (b) Publicizing emergency response and evacuation procedures in conjunction with at least one test per calendar year; and
- (c) For each test, a description of the exercise, the date, time, and whether it was announced or unannounced.

Failure to publish an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important security information.

Required Action: As a result of this violation, ABTCC must review and revise its policies and procedures regarding the preparation, publication, and distribution of ASR to ensure that all aspects of the ASR process are carried out in accordance with the *Clery Act*. Using its new and revised policies as a guide, ABTCC must prepare and publish an accurate and complete 2013 ASR that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b). In addition, the College must actively distribute its new ASR to all current students and employees in accordance with 34 C.F.R. § 668.41(e). In this case, ABTCC will be permitted to incorporate all required changes into its next regularly-scheduled ASR, which must be actively distributed no later than October 1, 2014. A copy of the College's new and revised policies and procedures and its 2014 ASR must accompany its response to this Program Review Report.

All *Clery Act* violations are considered to be serious in nature because infractions of this type cannot be cured once they occur. ABTCC will be given an opportunity to address this violation going forward by ensuring that the 2013 ASR is accurate and complete ASR. By doing so, the College will begin to bring its overall campus security program into compliance with the *Clery Act* as required by its Program Participation Agreement. However, the College is advised that such remedial efforts cannot and do not diminish the seriousness of this violation nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures.

ABTCC officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the *Clery Act* can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Based on an evaluation of all available information including ABTCC's response, the Department will determine if additional actions will be required and will advise the College accordingly in its FPRD.

Finally, ABTCC officials are reminded to review the accuracy and completeness of its Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the DFSCA. Therefore, it is essential that that ABTCC ensures that it has developed and implemented a comprehensive DAAPP, that it conducts substantive biennial reviews; and that it prepares its biennial review reports on the proper schedule. For assistance or more information on the *Clery Act* and/or the DFSCA, please contact the program review team or another member of the Atlanta School Participation Division.

Finding 21: Account Records (Pell) Not Reconciled Monthly

Citation: 34 C.F.R. § 668.24 states that an institution must account for the receipt and expenditures of Title IV funds in accordance with generally accepted accounting principles. Records must be established and maintained on a current basis; reflect each program transaction; and be supported by general ledger (GL) control accounts and related subsidiary accounts that identify each transaction and all other institutional financial activity.

The 2013 Blue Book, Volume 5, Chapter 8, pp. 2 states, your school should have documented reconciliation procedures that describe who, how, and when you will reconcile. You should review these procedures regularly to identify issues and make any necessary improvements. Your school must meet all cash management and disbursement reporting requirements. Regular reconciliation can help identify and resolve discrepancies so your school can stay in compliance.

Reconciliation is a process that a school must perform in operating the FSA programs. It is also a tool that a school should use to ensure that its management of the FSA programs is optimal. Most importantly, reconciliation is a shared responsibility. That is, the business office and the financial aid office are equally responsible for performing the periodic reconciliation that is required to make certain that a school is managing the FSA programs as they should be managed. This responsibility involves much more than the mere sharing of reports. It requires joint action by the financial aid and business office to identify discrepancies and to correct them in a timely manner.

At a minimum, your school should reconcile its FSA financial records monthly. However, the more frequently your school performs reconciliation, the more likely you will be able to identify issues and resolve them before they become part of a systemic problem. Frequent reconciliation is an important internal control procedure that can make a significant contribution to increasing the overall program integrity of the FSA programs at your school. In addition, schools that have systems in place to compare and identify discrepancies between their internal records and data from Department reports will find that the required monthly reconciliation is much easier and makes closing out a year less time consuming.

Noncompliance: ABTCC's 2013-2014 Title IV Pell Grant expenditures and receipts were not fully reconciled at the time of the Program Review. Institutional totals for the Pell Grant program did not match the Department's Common Origination and Disbursement (COD) system. Discussions with ABTCC staff indicated that the Datatel system was not accurately tracking disbursement records that were sent to and from COD. Administrative staff were using a "variance report" to attempt to reconcile the discrepancies.

A review of ABTCC's fiscal records revealed that a reoccurring discrepancy between Datatel and COD Pell records was being carried forward from month to month without identification of the student(s) involved.

Required Action: ABTCC must adhere to the generally related accounting principles that recommend adherence to a monthly reconciliation schedule. In response to this Program Review

Report, ABTCC must submit documentation demonstrating that a 2013-2014 full year end reconciliation of G-5, COD and internal records has been performed for the Pell Grant program. In addition, ABTCC must submit a new or revised Reconciliation Policy/Procedure document to the Department that includes the requirement to reconcile on a monthly basis (minimum).

Finding 22: Student Not Awarded Subsidized Direct Loan Eligibility

Citation: 34 C.F.R. § 685.200(a)(v)(2)(i) states a student is eligible to receive a Direct Subsidized Loan, a Direct Unsubsidized Loan, or a combination of these loans, if the student meets the following requirements:

A Direct Subsidized Loan borrower must demonstrate financial need in accordance with Title IV, part F of the Act.³⁴

The 2011-2012 Student Aid Handbook, Volume 33, Chapter 2, page 33 states, “ Unlike scholarship programs that may award funds based on academic merit or the student’s field of study, need-based grants, loans, and work-study are based on the family’s demonstrated financial need for assistance. The cost of attendance (COA) is the cornerstone of establishing a student’s financial need, as it sets a limit on the total aid that a student may receive for purposes of the TEACH Grant, Campus-Based programs, and Stafford/PLUS loans, and is one of the basic components of the Pell Grant.”

Noncompliance: Student 8 in the Certificate/Diploma Student Sample was awarded an Unsubsidized Stafford loan in the amount of \$2,500 for the 2013-2014 academic year. The student’s COA for the year was 16771. The student’s estimated family contribution (EFC) was 15947. The student did not have any other estimated financial assistance. As a result, the student was eligible for a Subsidized Stafford loan in the amount of \$824. ABTCC did not provide the student with her subsidized loan eligibility.

Required Action: Accurate need analysis determinations are critical in the administration of Title IV aid. Incorrect need determinations may result in undue hardship to the student and/or Department. In response to this Program Review Report, ABTCC must revise its Awarding Policy/Procedures to address the issue discussed in the noncompliance section of this finding. The revised Awarding Policy/Procedures document must be submitted to the Department for review.

Finding 23: Failure to Notify Student of Direct Loan Disbursement

Citation: 34 C.F.R. § 668.165 (a) states before an institution disburses title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each title IV, HEA program, and how and when those funds will be disbursed. If those funds include Direct Loan or FFEL Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans.

(2) Except in the case of a post-withdrawal disbursement made in accordance with §668.22(a)(5), if an institution credits a student's account at the institution with Direct Loan, FFEL, Federal Perkins Loan, or TEACH Grant Program funds, the institution must notify the student or parent of—

(i) The anticipated date and amount of the disbursement;

(ii) The student's right or parent's right to cancel all or a portion of that loan, loan disbursement TEACH Grant, or TEACH Grant disbursement and have the loan proceeds returned to the holder of that loan, the TEACH Grant proceeds returned to the Secretary. However, if the institution releases a check provided by a lender under the FFEL Program, the institution is not required to provide this information; and

(iii) The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement.

(3) The institution must provide the notice described in paragraph (a)(2) of this section in writing—

(i) No earlier than 30 days before, and no later than seven days after, crediting the student account at the institution, if the institution does not obtain affirmative confirmation from the student under paragraph (a)(6)(i) of this section.

(4)(i) A student or parent must inform the institution if he or she wishes to cancel all or a portion of a loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement.

(ii) The institution must return the loan or TEACH Grant proceeds, cancel the loan or TEACH Grant, or do both, in accordance with program regulations provided that the institution receives a loan or TEACH Grant cancellation request—

(A) The later of the first day of a payment period or 14 days after the date it notifies the student or parent of his or her right to cancel all or a portion of a loan or TEACH Grant, if the institution obtains affirmative confirmation from the student under paragraph (a)(6)(i) of this section; or

(B) Within 30 days of the date the institution notifies the student or parent of his or her right to cancel all or a portion of a loan, if the institution does not obtain affirmative confirmation from the student under paragraph (a)(6)(i) of this section.

(iii) If a student or parent requests a loan cancellation after the period set forth in paragraph (a)(4)(ii)(A) or (B) of this section, the institution may return the loan or TEACH Grant proceeds, cancel the loan or TEACH Grant, or do both, in accordance with program regulations.

(5) An institution must inform the student or parent in writing regarding the outcome of any cancellation request.

Noncompliance: ABTCC did not provide evidence that loan disbursement notifications were sent to student borrowers within 30 days after crediting the student's account with Direct Loan funds. In addition, students were not provided with the right to cancel a portion of the loan or the procedures and time by which the student or parent must notify the institution that he or she wishes to cancel or modify the loan disbursement(s). Finally, ABTCC staff was not able to provide documentation that a student who requested a loan cancellation was provided with information regarding the outcome of the request in writing.

Required Action: In response to this Program Review Report, ABTCC must draft a loan Disbursement Notification document/e-mail that satisfies each of the requirements outlined in the noncompliance section of this finding. In addition, ABTCC must draft and submit an e-mail/letter template used to notify students of the status of loan cancellation requests. Finally, GNTC must draft and submit a Direct Loan Disbursement Notification Policy/Procedure to the Department for review.

D. Recommendations

The following are recommendations based upon observations made by the review team during the Program Review. ABTCCC is not required to provide a response to, nor is ABTCC required to act upon, these recommendations. However, the review team believes that adoption of these recommendations will assist the institution in its administration of Title IV, HEA program funds.

Recommendation 1: Authorization Form to Pay Charges Owed from the Prior Term Not Necessary

34 C.F.R. 668.164 (d) states an institution may use title IV, HEA program funds to credit a student's account at the institution to satisfy—

(1) Current year charges for—

(i) Tuition and fees;

(ii) Board, if the student contracts with the institution for board;

(iii) Room, if the student contracts with the institution for room; and

(iv) If the institution obtains the student's or parent's authorization under §668.165(b), other educationally related charges incurred by the student at the institution.

The 2012-2013 Blue Book, Volume 5, page 32 states an authorization must explain what FSA funds are covered by the document, and it must specify the time period covered by the authorization.

Unless otherwise specified, a student or parent may authorize a school to carry out the allowable activities for a specific period of time such as an academic year or for the entire period the student is enrolled, including multiple academic years.

A school may not require or coerce the student or parent to provide an authorization, and it must clearly explain to the student or parent how to cancel or modify the authorization. The school must also explain that a cancellation is not retroactive.

The authorization form signed by student 1 from the Program Review Sample was provided to authorize ABTCC to pay for fall semester charges (fall 2012) with the subsequent spring semester (spring 2013) credit balance. Unless those fall 2012 charges were not educationally related charges, there is no requirement to provide this authorization. Additionally, there was no mention of the FSA funds covered by the document or the student's right to cancel or modify the authorization.

ABTCC may wish to reconsider the use of this authorization form moving forward.

Recommendation 2: Revise Return to Title IV Notification Letter

ABTCC sends a letter to students who withdraw from the institution and have funds returned to the Department as a result of the withdrawal (R2T4). The body of the letter includes the following text:

The total amount of grant and/or loan funds that are required to be returned is: _____. You have 45 days to return this amount from the date at the top of the letter.

In most cases, students will owe ABTCC funds as a result of a R2T4 calculation but will not owe the Department funds as a result of a R2T4 calculation (50% Grant Protection). If the student does not owe funds to the Department, ABTCC should revise the notification letter to clearly indicate that the funds are owed to ACTCC. The 45 day return requirement is tied to funds owed by the student to the Department. ABTCC should omit the 45 day requirement or clearly explain that the deadline (established by ABTCC) is tied to funds owed to ABTCC. In addition, ABTCC should revise the notification letter to clearly state the source of the Title IV return (Pell, Direct Loans, etc.).

Recommendation 3: Revise Clock to Credit Hour Conversion Information in Frequently Asked Questions Section of Financial Aid Website

ABTCC currently publishes the following information under the frequently asked questions section of its financial aid website:

"What are contact hours and how does that relate to my financial aid?"

Students enrolled in vocational programs that typically lead to a diploma or certificate are enrolled in "contact hours" instead of "credit hours". Enrollment status for these students is computed by converting semester contact hours to credit hours for payment purposes using a

federal formula. Generally, 29 or more contact hours is considered full-time, 23-28 is 3/4 time, 15-22 is 1/2 time, and 14 or less is considered less than 1/2 time.”

This statement does not clearly state that the number of contact hours listed is per one week of instruction. The statement should be revised to indicate that full time enrollment is based on 29 contact hours per week multiplied by 16 weeks in each semester. Full time enrollment for a semester is $29 \times 16 = 464$ contact hours.

The statement should also state that federal regulations require institutions to divide total contact hours by 37.5 in order to establish payment period enrollment status and total hours of Title IV eligibility in a program. As such, $464 \text{ total contact hours} \div 37.5 = 12.37$ credit hours per payment period (full time enrollment status). Additionally, as an example, the Food Service Technology Program is $720 \text{ contact hours} \div 37.5 = 19$ total credit hours of program eligibility.

Recommendation 4: Update Clock to Credit Hour Conversion Chart for Summer Term

ABTCC developed a Clock Hour Conversion Worksheet that includes columns that list the number of clock hours a week and the total number of clock hours in the semester (16 weeks in fall and spring). For students that take summer coursework, the chart should be updated to include columns that list the number of clock hours in the summer semester. This edit would assist in total program eligibility calculations.

Asheville Buncombe Technical Community College

[illegible]

\$646,515.27

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	5
--	---

Total	Federal Share
\$629,127.21	\$ 629,127.21
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ 13,988.16	\$ 13,988.16
\$ 3,399.90	\$ 3,399.90
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -

\$ 17,388.06	\$ 17,388.06
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\$	496.01	\$	-

Perkins-No Match

[illegible]

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APPENDIX I

Asheville Buncombe Technical Community College

OPE ID 00403300

Appendix I

Estimated Loss Formula

9/4/2014

Enter Institution Name

Asheville Buncombe Technical Community College

Select Institution Type

Public 2 Yrs or Less

Select Type of Loan	Select Award Year	Enter Ineligible Loan Amount	Enter School CDR	Total Subsidy Costs	Estimated Loss Liability
1 DL Subsidized	2013-2014	\$ 172,132.08	13.20%	6.61%	\$ 11,374.48
2 DL Unsubsidized	2013-2014	\$ 159,018.18	13.20%	-23.32%	\$ -
3					
Description		\$ 331,150.26			\$ 11,374.48
4					
5					
6					
Description		\$ -			\$ -
7					
8					
9					
Description		\$ -			\$ -
10					
11					
12					
Description		\$ -			\$ -
Original Ineligible Loan Liability		\$ 331,150.26	Total Estimated Loss		\$ 11,374.48

Asheville Buncombe Technical Community College

OPE ID 00403300

Appendix I

To calculate estimated loss for a given ineligible loan amount, that amount is multiplied by the total subsidy rates calculated for the ineligible loans. Consolidation Loans will be obtained in the future to prepay some of the ineligible loans; the amount of Consolidation Loans divided by the ineligible Stafford/PLUS loans equals the "Consolidation prepayment rate" (H) for those loans.

The Department's Budget Office calculates, on an annual basis, the rate per dollar of loan of default subsidies (DSRs) and all other subsidies (OSRs) (D & F) for Stafford and PLUS Loans, by cohort year, program, loan type, and risk group (note that 2008-2010 FFEL loan costs are calculated only by cohort year).

	A	B	C	D	E	F	G	H	I	J
	School CDR	Sector CDR*	Ratio **	DSR ***	Adjusted DSR	OSR ***	Avg Cons Year	Cons Prepay %	Cons DSR ***	Cons OS ***
1	13.20%	13.37%	0.99	1.81%	1.79%	1.61%	2021	21.1%	2.56%	12.65%
2	13.20%	13.37%	0.99	3.13%	3.10%	-29.30%	2022	23.7%	3.04%	9.10%
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										

Federal Student Aid (FSA) calculates the cohort default rates (CDRs) of the institution (A), and the average CDR for the sector for that institution (B). FSA applies the CDR comparison ratio (C), $[A/B = C]$ against the Budget Office's cohort loan DSR (D) to determine the default subsidy rate for the institution (E). The Budget Office estimates the default subsidy rate and other subsidy rate for the Consolidation Loans that will prepay some of these Stafford and PLUS Loans (I & J).

The total subsidy rate for the ineligible Stafford and PLUS Loans is $((E+F) + ((I+J) \times H))$.

The total subsidy cost for these loans is the ineligible loan amount multiplied by the total subsidy rate.

APPENDIX J

Asheville Buncombe Technical Community College

[illegible]

Appendix J

1000 JOURNAL OF CLIMATE

APPENDIX K

Appendix K

DEPARTMENT OF EDUCATION FEDWIRE EFT MESSAGE FORMAT AND INSTRUCTIONS

021030004 Type/Sub-Type

Sender No.: Sender Ref. No.: Amount

①

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/

TREAS NYC/CTR/

BNF=ED/AC 91020001 OBI=

Name/City/State:

②

DUNS: AGENCY CODE:

③

TIN:

FOR:

④

INSTRUCTIONS:

A. The recipient completes items 1 - 4 above as follows:

① Indicate amount including cents.

② Indicate recipient's institution name, city and state.

③ Indicate the D-U-N-S Number (DUNS) and Taxpayer Identification Number (TIN).

④ Indicate the Grant Award Number, Audit Control Number, Program review Number, and reason for remittance. Provide the Information/words applicable to the reason for the remittance of funds. (See **Appendix G** for a list of reasons for remitting funds).

B. Provide the sending bank with a copy of the above completed form. The above form contains other information the bank will need to transmit the FEDWIRE message.

Accounting Document – Prior Year Monetary Recovery (AD-PYMR)

Institution: Asheville Buncombe Technical Community College

City, State: Asheville, North Carolina

PRCN: 30428617

TIN: 560792170

DUNS: 070632047

Reviewer: Jon Finkelstein

Region: Atlanta

Date: 8/12/2015

Section A - Use if no adjustments are being made in COD

Programs	Type	Amount	Funding Code	Object Class
Federal Pell Grant (Closed AY)	Principal	629,127	3220RNOYR	69017
	Interest	483	1435RNOYR	64020
ACG	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
National SMART	Principal		3220RNOYR	69017
	Interest		1435RNOYR	64020
FSEOG (No FISAP Corrections)	Principal	3,400	3220RNOYR	69017
	Interest	3	1435RNOYR	64020
FWS (No FISAP Corrections)	Principal	13,988	3220RNOYR	69017
	Interest	11	1435RNOYR	64020
Direct Loan and Direct Loan EAL	Principal	11,347	4253XNOYR	53020 or 53010
	Interest		4253XNOYR	53040
FFEL and FFEL EAL	Interest/ SA/EAL		4251XNOYR	53020
Federal Perkins	Principal		2915RNOYR	53054

Section B: Use if the Institution is instructed to make adjustments in COD

Add rows if necessary			Amount			G5 Program Award # *
Pell, ACG, SMART, TEACH	Pell/2013	Principal	10,765	3875FNOYR	69020	P063P122494
	Pell/2013	Imputed Interest	190	1435RNOYR	64020	
	Pell/2014	Principal	1,412			P063P132494
	Pell/2014	Imputed Interest	12			
Direct Loan (do	Award Year	Principal		3875FNOYR	69020	

not use for estimated loss)	Award Year	Imputed Interest		4253XNOYR	53040	
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Comments:

* G5 Award # (P063P104306, first 5 digits = program, next 2 digits = award year, next 4 digits = code unique to school). Note: It is important that the year in the G5 award number correspond to the award year for which any adjustments are being made, or for which the balance has been incurred (in the case of an unsubstantiated cash or negative cash balance). If the reviewer is unsure after looking in G5, contact Susan Lewey for Pell or DL, or Tremia Haythe for FWS or FSEOG.

Example of G5 award numbers for a single school for the 2009-2010 award year, Pell vs. DL:

Pell is designated by "P063P" and DL is designated by "P268K"

P063P091445 (Pell 2009-2010 award - Pell uses the final two digits of the leading award year in the award number)

P268K101445 (Direct Loan 2009-2010 award - DL uses the final two digits of the trailing award year in the award number)

Example of G5 award number for FWS and FSEOG

FWS is designated by "P033A" and FSEOG is designated by "P007A"

P033A092121 (FWS 2009-2010 award - FWS uses the final two digits of the leading award year in the award number)

P007A092121 (FSEOG 2009-2010 award - FSEOG uses the final two digits of the leading award year in the award number)

See FPRD Distribution Form for distribution information for this form and related program review documents.